

# HOUSING IN WINNIPEG

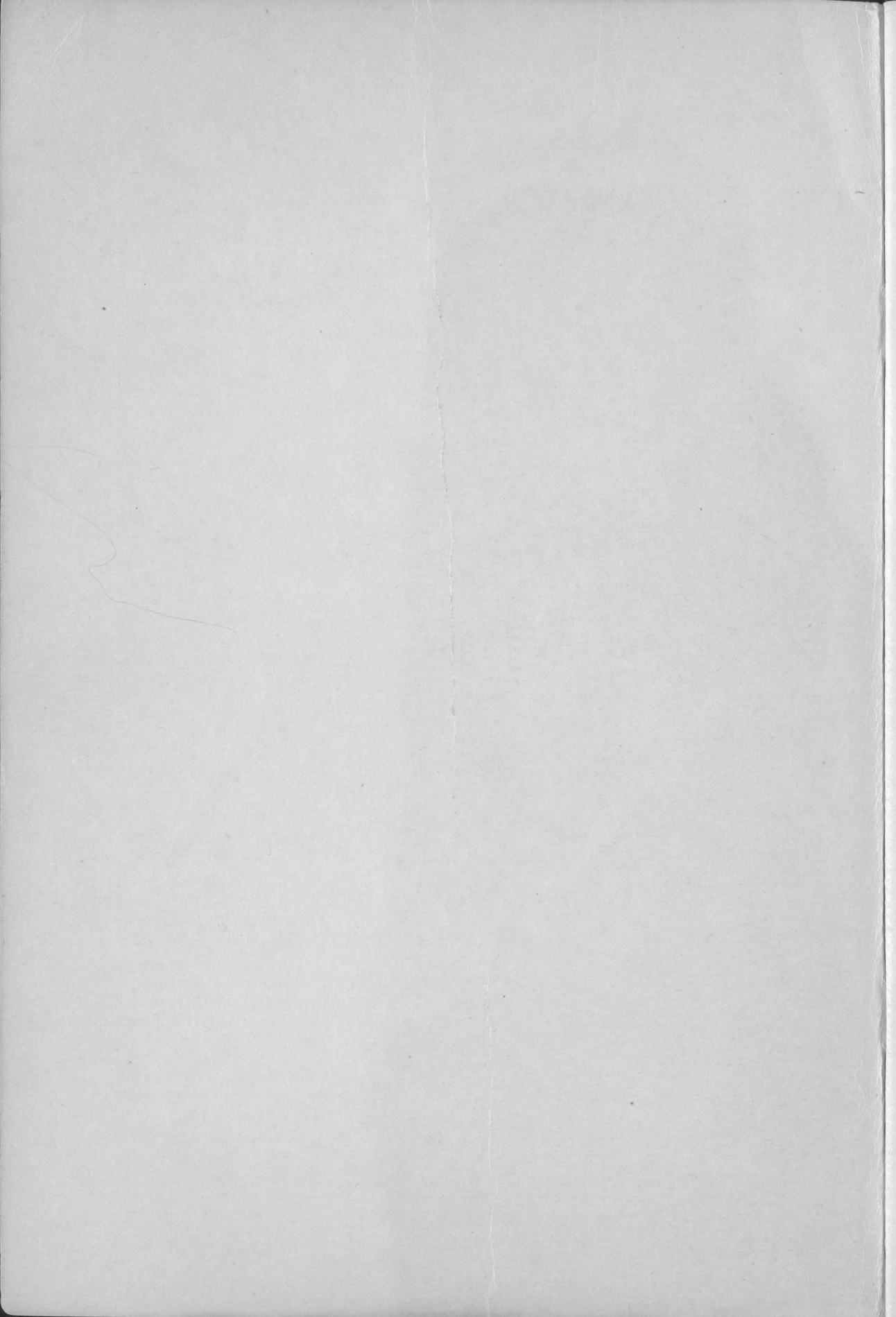


## REPORT OF COMMITTEE ON HOUSING

*Winnipeg Council of  
Social Agencies*



1943





# COUNCIL OF SOCIAL AGENCIES OF GREATER WINNIPEG

November 16th, 1943.

Council of Social Agencies of Greater Winnipeg,  
460 Main Street,  
Winnipeg, Manitoba.

Gentlemen,—

Some two years ago, with considerable reluctance, I permitted myself to be conscripted as Chairman of a Housing Committee being set up by you to study local conditions, and if we could arrive at any conclusions, to suggest a course which should be followed by this community in respect of Housing. The calibre of the men and women whom you appointed to this Committee was such, that I must, in all honesty admit that you did your best to make the task as easy for me as possible. It has been a great pleasure to work with them. We have taken a very considerable length of time to produce this report, but all members of this Committee were busy people, with manifold and important other responsibilities, which could not be entirely neglected. Let me, therefore, take this opportunity of expressing my thanks to the Committee for their good and faithful work.

To prepare this report was too difficult a task for any one individual, even if it had been desirable. The course followed, therefore, after we had finished our studies was to allocate to Sub-Committees each of the respective parts of this report. When this part had been prepared by the Sub-Committee it was brought before the main Committee and, I think in all cases, certain alterations then made. All of the different parts were then referred to a special Sub-Committee, composed of the Chairmen of the previously mentioned Sub-Committees, which amended as instructed by the main Committee and also made such changes as were necessary to unify the various parts. Part I was prepared by Mr. Pigott, as Chairman, with the assistance of Mrs. McQueen. Part II was prepared by a Committee headed by Mrs. McWilliams and composed of Mr. Dawson, Mr. Ransby, Miss Moore, Mr. Chipman and Mr. Thrift. Parts III and V were prepared by a Sub-Committee composed of Mr. Griffiths and Mr. Guest and was headed by myself. Part IV was prepared by a Committee headed by Mr. Green, consisting of the following members: Mr. McCurdy, Professor Russell, and Mr. Thrift.

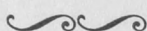
I also wish, on behalf of myself and my Committee, to express the deep regret that we all felt at the death of Mr. Ham, one of our most valued Committee members, during the progress of our work. Fortunately, we had the advantage of having his views reduced to writing and delivered to the Committee prior to his death. Mr. Ham was a man of force, energy and enthusiasm, with a great interest in housing. You will find many of his valuable ideas embodied in this report.

The Committee was disappointed also that it lost the services of another very valued member, that is, Professor Osborne, for a period of one year, during which he enjoyed his sabbatical year on various parts of this continent. He has, however, returned in time to join in this final report. We, as a Committee, cannot help but feel that the report would have been the better had we the benefit of Professor Osborne's knowledge and judgment throughout our work. The report, which is unanimous, is enclosed herewith.

The Committee all join me in hoping that the results of our work will be of use to you.

Yours truly,

E. D. HONEYMAN, Chairman.



### PERSONNEL OF THE HOUSING COMMITTEE OF THE COUNCIL OF SOCIAL AGENCIES

- Mr. E. D. Honeyman**, B.A., University of Manitoba; LL.B., University of Manitoba; King's Counsel; Member of Municipal and Public Utilities Board; Member of Board of Trustees, City of Winnipeg Sinking Fund; (Chairman).
- Mr. A. U. Chipman**, Manager Standard Finance Corporation Limited; First Vice-President Council of Social Agencies.
- Mr. H. G. Dawson**, President and Manager Canada West Grain Company Ltd.; ex-Chairman and present member of Board of Directors of Council of Social Agencies.
- Mr. Lawrence Green**, B.Arch., University of Manitoba; M.R.A.I.C.; member of firm of Green, Blankstein, Russell & Ham, architects.
- Mr. I. B. Griffiths**, former Minister of Public Health and Public Welfare, Province of Manitoba; member of Board of Directors, Council of Social Agencies.
- Mr. H. B. Guest**, B.A., University of Toronto; Editorial Writer, Winnipeg Free Press.
- The late Mr. R. C. Ham**, B.Arch., University of Manitoba; M.R.A.I.C.; late of the firm of practising architects, Green, Blankstein, Russell & Ham.
- Miss M. L. Moore**, B.A., McMaster University; Executive Director, Family Bureau of Winnipeg; member of Board of Directors' Council of Social Agencies.
- Mr. W. McCurdy**, B.A., University of Manitoba; Vice-President and Publisher, Winnipeg Tribune.



**Mrs. Robert McQueen**, Diploma of Social Service, London University (Eng.); Executive Secretary, Council of Social Agencies (Secretary).

**Mrs. R. F. McWilliams**, B.A., University of Toronto; ex-Alderman; formerly Chairman, City of Winnipeg Health Committee.

**Professor Milton S. Osborne**, B.Arch., Ohio State; M.Sc., Columbia University; M.A.I.A.; F.R.A.I.C.; Professor of Architecture, University of Manitoba.

**Mr. A. V. Pigott**, B.A., University of Manitoba; Chairman, Board of Directors, Council of Social Agencies; Principal, Machray School.

**Mr. E. C. Ransby**, Executive Secretary, Winnipeg Real Estate Board.

**Professor John A. Russell**, B.Sc.; M.Arch., Mass. Institute of Technology; M.R.A.I.C.; M.A.I.A.; Assistant Professor of Architecture, University of Manitoba.

**Mr. Eric W. Thrift**, B.Arch., University of Manitoba; M.Arch., Mass. Institute of Technology; Lecturer, University of Manitoba Architectural Dept.





## PART I

# ATTEMPTED SOLUTIONS OF HOUSING PROBLEMS IN OTHER COUNTRIES

For many years there has been a serious shortage of good housing in Winnipeg. This fact has been recognized in the reports of committees set up by many organizations representing a wide variety of interests. An increase of population since the beginning of the war has aggravated the local situation. Yet this condition of housing has been upon us for a long time, and without determined effort on our part to relieve it, we are going to suffer increasingly severe consequences in the immediate future. According to the 1942 Report of the City Health Department 9,000 units would be required in order that the citizens of Winnipeg could live within the requirements of the by-laws now in force. That is to say, that there are probably twice that number of families living in overcrowded conditions.

Nor is our problem confined to Winnipeg. Rural Housing must likewise be the object of sound planning if we are to advance in line with the enlightened communities of the world.

Most of the democracies of Europe and North America are far ahead of us in respect to housing. We have had a relatively small population, and a rather transient one in the past, and the newness of our country focussed our attention upon the problems of expansion.

Today, however, the ill effects of insufficient and bad housing are everywhere apparent. It is not our intention in the present report to repeat the analyses already given in many reports of these effects. Along with this submission goes the corroboration of many studies made by responsible agencies in Canada showing the social and moral effects of overcrowding; the financial difficulties arising from inadequate provision for town planning, building codes, sanitary regulations, and rent controls; and the serious effect on the health of the citizens resulting from all that goes with poor housing.

Adequate housing must be accepted as one of the bases of any well built social structure. Health, education, citizenship and social stability grow out of well established homes. It must be our aim insofar as it is possible to have every family owning a "stake in the homeland."

There is no doubt that we can do a great deal by way of cheapening the process of buying homes and thus vastly increase the number of settled home owners. But there will always be a large number whose earnings are insufficient to permit them to buy. For these people we must plan good housing at low rentals. Democracy cannot afford to neglect them. They make up a considerable proportion of the population of every community.

It can be shown that any social audit will point out the economy of encouraging and providing good homes. The costs of detection and punishment of crime, of ill health and undernourishment, of extra time spent in schools, of treatment given in mental hospitals, and the ill effects on community and national morale, can be ameliorated through improved housing conditions.

In western Europe previous to the war great strides were being made in community planning and low cost housing. It is not our intention to recount the findings of the many reports made in the various countries. They are easily available for those interested.

## GROWTH OF GOVERNMENTAL INTEREST IN HOUSING

To anyone who reads even a few housing reports from various countries, the following conclusions will become apparent:—

1. Aid has been given to housing projects in most of the leading countries of the world.
2. In spite of mistakes in details of operation or of slowness in its acceptance, nevertheless the principle of governmental assistance for housing development now stands unchallenged in advanced communities. That is, the community is held responsible for the provision of satisfactory dwellings for those who are too poor to afford them.

## GREAT BRITAIN

Over four million new dwellings have been built since 1918—one and a half million with public aid, two and a half million without. Of the one and a half million using public aid, one million were built by local authorities, such as governments of towns and rural districts. Mostly these were suburban cottage estates with lawns and gardens. Even in the industrial centres slums were thinned out, giving place to many-windowed flats with attractive surroundings.

The Town Planning Act of 1919 required:—

1. That town governments assist in providing sufficient low cost houses to meet the needs of citizens.
2. That slum dwellings taken over for housing be cleared away at owners expense.
3. That every town with a population of 20,000 or more prepare a town planning scheme for the approval of the national government.
4. That outright grants be made to local authorities for building low rent housing.

This was changed in 1923 to require towns to contribute a share of subsidies. Sharing of the financial burden between central and local governments has continued ever since. The actual planning and carrying out of the programs was left to local authorities.

In 1924 a "gentleman's agreement" sought the co-operation of trade unions, contractors, supply merchants, etc., to help keep building costs as low as possible through stabilizing wages, training apprentices and, in general, working toward a long term building program.

The central government provided extra subsidy for rehousing slum dwellers in central districts if the price of the land came to more than \$15,000 per acre. In some cases temporary shelters were provided for families while their homes were being rebuilt. Owners of dwellings were ordered



to tear down or make them fit for habitation. Nearly 200,000 were repaired by authorities, 300,000 were torn down and a further 600,000 repaired by the owners after warnings had been sent to them by the central government. Standards of occupancy were set up. By 1939 the National Treasury had to pay an annual subsidy of \$75,000,000, the local authorities \$17,500,000 (the cost of a battleship).

Rents were reduced 20 to 40 per cent in the housing built by public money. The amounts charged varied in different parts of the country, but in general, local authorities kept rents at the same level as had been formerly paid for slum housing. This was possible because:—

1. Government subsidies and local contributions provided much of the capital.
2. Interest on public loans was kept low.
3. No profits were sought.
4. Large scale buying reduced cost.

It has been found that no value is derived from better housing if rents or costs go up. The consequent reduction in living standards is reflected in increased disease and death rates. In every project there is an attempt to provide adequate space for the recreational needs of the children and adults.

## SWEDEN

After the last war the housing situation in Sweden was very acute. The government consequently started a plan whereby it paid one-third of the cost of building the cheaper houses, and loaned the remainder of the cost at 4 per cent. By 1923 the shortage of houses was less acute.

About this time the industrial co-operatives turned their attention to housing and began building beautiful homes near their factories for workers and members. Many co-operatives of a thousand or more members were formed for the sole purpose of building houses. By this means they could buy materials wholesale, employ architects and arrange cheaply for the making of furniture and fittings.

For the lowest income groups apartment houses were built by government subsidy on land provided free by towns. Reductions in rent were given according to the number of children in a family. Three children gave a reduction of 30 per cent, four gave 40 per cent, and so on to a maximum reduction of 70 per cent for seven children. The state paid the difference.

High standards were set in design, space for recreation, nurseries, infirmaries, kindergartens, gymnasias, social rooms, etc. City Councils in many cases promoted the development of Cottage Colonies. Groups were formed of people interested in buying and building homes. Each family would select a design made up of standard sections. Building instructions came with the design—simple enough to be followed by an amateur. Over two or three weekends a family could erect its own house. For this type of house a purchaser could get a loan of 90 per cent of the capital cost and could contribute the remaining 10 per cent through the work of building the home.

Co-operative flats rent at 30 to 40 per cent lower than do private dwellings. There are four reasons for this:—

1. The co-operatives often buy or lease land cheaply.
2. Mass production of standardized units of construction and equipment.
3. Large dividends are not sought.
4. The cost of management and repairs are kept to a minimum.

In 1929 the government set up the Swedish Housing Loan Fund by setting aside a large grant of money for capital reserve. This was placed in charge of seven co-operators and two government representatives. But most of the working capital was provided by the co-operative building societies themselves. The government came to the aid of the poorer families as indicated above.

## GERMANY

At the end of the last war there was a shortage of over a million homes in Germany. Old houses were subdivided and barrack shelters were built as a means of meeting the immediate needs. Inflation was at a very high level and to offset the abnormal cost of construction subsidies were granted to builders. They, in turn, were expected to charge their customers "normal" rents, but, because of the great fluctuations in the price structure from day to day, this scheme proved a failure.

As a consequence, national, state and town governments joined in helping co-operative and limited dividend housing societies to build cheaper homes. Large amounts of capital were borrowed from abroad and after currency had been established in 1924 a house-rent tax was collected for providing modern houses.

Although local authorities did not go in for housing, they often owned controlling blocks of shares in the building societies and thus had much to say concerning the type and cost of dwellings, the management of estates, the needs of the tenants, etc.

Although most of the dwellings were in the form of blocks of apartments, they were well planned with spacious courtyards. The trees, flowers and lawns were a striking contrast to the closely packed tenements of the nineteenth century.

The German architects took up the problem of providing good housing at the lowest possible price. By standardization and mass-production of whole units of a home, such as kitchens and bathrooms, it was shown that costs could be considerably reduced.

Housing development under the German Republic was generally good. Balconies, window boxes, flat-roof facilities for sun bathing, nurseries, kindergartens, and gardens for the grown-ups were usually included in the projects.

By 1931, between two and three million new buildings had been built. There was still a shortage; and with all that had been done in cutting costs, even semi-public housing in Germany was rarely within the reach of the slum dwelling families.

Plans were drawn up for building flats that could be rented very cheaply to unskilled workers. But Hitler and the depression came along to give the housing policy of Germany a new direction. The "Siedlungen" policy was devised. German workers, according to the Nazi theory of "blood and



soil," must renew their kinship with the land and learn to live the simple life again. Loans were granted at low interest rates to those who built under government supervision. Such homes, built under the "Siedlungen," were exempt from taxation and, in some instances, were even subsidized. The settlements were often built solely for workers in new "decentralized" industrial plants in the country where the worker had only one source of employment. When that failed, the home owner had to depend on his small garden and "relief." Such houses were always for sale and not for rent, thus binding the worker to one place. But the most serious criticism of the scheme, from a housing point of view, was that the dwellings were very primitive, and the materials used took second place to those required for armament factories and the building of the Westwall.

## VIENNA

It is well worth while at this point to single out the city of Vienna. At the end of the last war Austria was in dire straits. There was a shortage of labour, inflation had gone to great lengths, half the population was threatened with starvation, and housing had become a first necessity. But times were so uncertain that private enterprise could do nothing about a building project.

Even in such a situation the city of Vienna set out to house a tenth of its population and, before being taken over by the Fascists, managed to erect about 64,000 dwellings of the most modern type. The favorite form of building became the five or six storey apartment built around spacious garden courts. There were playgrounds, paddling pools, club rooms, gymnasiums, bathhouses, and modern laundries.

On the outskirts of the city, garden colonies were built. Workers and their families were encouraged to form co-operative societies to help build and to manage the colonies. As a project to ward off unemployment and depression the scheme met with great success. There were many applicants from whom a selection was made on a "points" system, that took into consideration the urgency of a man's need, the size of the family, the inadequacy of the home at the time, sickness, etc.

The scheme was supported by a graduated tax on rent from real estate. The proceeds of this tax, a national grant and some other occasional taxes raised sufficient money to support the most ambitious and successful housing scheme ever undertaken by a city government. In addition, the city council acquired its own granite, paving stone, tile works, lime shops, etc., and arranged for the central buying of other material required.

All this, however, crumbled with the coming of the Fascists.

## BELGIUM

Working class housing was the subject of legislation as early as 1862. Building societies were given the privilege of limited liability and considerable tax exemption.

In 1869 a housing law was passed, which has served as a model for many countries. The chief feature was the freeing of deposits of the General Savings Bank and Pension Fund for use as loans to finance the erection and purchase of working men's dwellings. These funds were passed through non-commercial loan associations to municipalities, charitable organizations, housing companies and individual working men. The greater part went to

individuals. Local housing committees, with educational and advisory functions, are important factors of the Belgium housing policy. Along with this policy goes a special insurance plan.

The main criticism of government aid to the individuals has been that its benefits accrue chiefly to the better paid class of working men and neglects the group which cannot put up a sufficient amount of money.

## FRANCE

Since 1832 France has experimented with various forms of housing assistance. Local housing companies, tax exemptions, loans from public funds and loans to municipalities were in vogue before the turn of the century.

Savings banks, charitable institutions and municipalities were empowered to build houses, to buy stock of housing companies, or to make loans for such purposes at low rates of interest. During recent years, slum clearance plans had been initiated in several cities and Paris had adopted an intensive housing program.

## HOLLAND

The Dutch Housing Act of 1901 was the first attempt made by law in Europe to regulate building, provide low-rent houses, improve town plans and make each town responsible for slum clearance. It provided financial aid from the state and demanded action. Under this Act 220,000 new dwellings were financed by public funds—about 10 per cent of the total number of dwellings in Holland.

Over 50,000 of these were built by the municipalities and the remainder by public housing societies. These societies are organizations of tenants. They must get a certificate from the government and the approval of the town council. This being done, they are entitled to a loan of 100 per cent of the cost of the buildings. The building must be paid for in fifty years and the land in seventy-five years.

## THE UNITED STATES

Conditions on this side of the ocean were not as compelling with respect to housing and town planning in the inter-war years, as they were in Europe. As a consequence not a great deal was done until the depression developed.

At present there are several organizations in existence which, if their functions were correlated, and if action were demanded, could supply the machinery for extensive building. The chief groups are as follows:—

1. Home Owners Loan Corporation. This is set up to keep buyers from losing homes by defaulting on payments in time of depression.
2. Federal Housing Administration, which encourages private capital to invest in homes for sale and rent.
3. Farm Security Administration for building low-cost farm homes.
4. United States Housing Authority to rehouse people now dwelling in slums and unable to meet the cost of living elsewhere.



## INDUSTRIAL HOUSING

Many large industries in various countries have come to realize that the housing of their employees is of direct concern to them. The conditions under which an employee lives has a great deal to do with his efficiency and dependability. Here we may refer the reader to some outstanding experiments.

There have been many bad examples of company towns. They offer opportunity for tyranny, for a worker who does not conform to the wishes of the employer can lose both home and job. But we point out some of the more successful towns built by employers who had the welfare of their employees at heart. Such examples were the Krupp settlement at Essen, Germany; Bourneville, near Birmingham, England; and Port Sunlight, near Liverpool, England.

In Canada, we have the Arvida Plant and in Manitoba, Pine Falls. Since the paper factory in the latter place had to be built away from any center of population, living conditions for the workers had to be made attractive. As a consequence, a community was planned and constructed to suit the needs of its inhabitants.

The town is not built "on the square," has streets which wind pleasantly. Building lots are adequate in size and standards of construction are good. Provision has been made for recreation grounds and parks. School, hospital, church, etc., are placed in their proper relation to the population centers. Since it is a company town, all buildings are owned by the company. The theatre and assembly hall are operated as a concession. There is a restaurant rented to an individual, who may not sell any merchandise in competition with the store operated by the company. The hospital is owned and operated by a hospital company consisting of the doctor and the manager of the paper company.

Within the town housing conditions are good, but just beyond its limits a "tin town" has grown up. Here are shacks and planless development. Any social betterment resulting from the town planning within the town tends to be neutralized by this mushroom growth just outside.

Even though there may be drawbacks to the operation of company towns, attempts should be made to investigate the place large companies take in assisting their employees in obtaining good homes. Winnipeg companies should be encouraged to accept responsibility with respect to the living conditions of their workers.

The Winnipeg Hydro, at Point du Bois, has done a great deal for the employees of the plant. And yet in the city no corresponding action has been taken, even though the living standards of the Winnipeg workers in some cases may be far lower.

A large department store could do a great deal by way of assisting groups of its employees to organize for the purpose of building homes. Purchases could probably be made at reduced rates and loans made at more reasonable rates.

### Who Shall Do the Job?

In general it may be said that, where countries have made progress in housing, the job was not done by any one agency. The government usually concerned itself mostly with the lower paid workers. This left an enormous

field for private enterprise to tackle. In England and Sweden the governments, in their concern with housing, stimulated the demand for private housing, and worked in parallel lines with private enterprise.

There is plenty of room for all types of builders, whether public or private. We are in need of an informed public opinion about housing. Local initiative should be harnessed; costs must be brought down; some better means must be found for controlling land prices; and, above all, due appreciation must be given to the fact that housing is but a part of city planning.

Co-ordination and over-all planning are needed. The best effort in this regard has been put forth in Britain. Our brief would be incomplete without mentioning the Barlow, Scott and Uthwatt Reports.

### England's Post-War Policy

As far back as 1937 there was set up a Royal Commission on the Distribution of Industrial Population. This group issued the **Barlow Report**, which declared flatly that a "Central Authority, national in scope and character" should be set up. "Its objectives should be

- (a) Redevelopment of congested areas where necessary;
- (b) Decentralization and dispersal of industries and population from these areas;
- (c) Encouragement of a reasonable balance of industrial development throughout the country, with appropriate regional diversification."

Although the Barlow Commission made its recommendations unanimously, a minority group wanted to go farther. Under Professor Abercrombie they indicated that the Central Planning Authority must have "power of initiation and definite sanctions." Ribbon developments were going on despite existing laws against them; houses were being dumped all over the country despite talk of town and city planning; and industrial establishments found legal leverage for working themselves into areas already congested.

The trouble, said they, lay in the assumption, born in the early days of the Industrial Revolution, that the individual industrialist should have his way and yet be relieved, in a manner unprecedented in history, of responsibility for his social acts. This individualism must be changed since, "for certain purposes, the country now has to be treated as an economic unit."

One group should not plan for railroads, another for electrification, a third for trunk highways, and a fourth for town planning without close co-ordination of all four. But the chief difficulty with all the plans was that of land purchase and the flood of claims that always resulted from a new move. Here the majority and minority agreed on the need for further inquiry. This led to the Uthwatt Committee. But first comes the Scott Committee.

### The Scott Committee

This was the Committee on Land Utilization in Rural Areas. Planning, said they, was not to wait—"not only is the vision of the future the stimulus of the present, but plans must be ready when the time comes for action."

The setting up of a Central Planning Authority was assumed. Local planning should be compulsory, not permissive. Electricity should be as cheap in the country as in the city. Rural life should have social centres on the model of the "village college."

The chief service of the Committee, however, was to show the relation of the city and country planning, not merely by contrast, but in terms of complementary productive functions.

### **The Uthwatt Report**

"The Uthwatt Report," states the Architectural Record, "has been described as a great milestone in the history of planning. In boldness of overall control, its proposals matched the dictators; and yet without the destruction of either private initiative or private ownership. The scheme proposed the nationalization not of land ownership but of development rights. It would give the State power of acquisition over any land already developed, for public purposes. The costs of the enormous program were to be covered by a heavy tax on unearned increment."

The Committee assumed the creation of a Central Authority and a subordination of private interests to the public good. It said that "immediate transfer to public ownership of all land would present the logical solution." "But," it added, "we have no doubt that land nationalization is not practicable as an immediate measure, and we reject it on that ground alone."

The proposal followed that the planning authority should acquire, not all the land, but all the rights of development. This would be brought about by:—

1. A prohibition against individual development outside built-up areas by purchase for fair compensation of the development rights.
2. All new development to be initiated or approved by the authority.
3. When land is required for approved development, by national need or private demand, it should be purchased by the state.
4. "In the case of approved development for private purposes, the leasing of such land by the State to the person or body undertaking the development, preference should be given to the original owner."

The Committee indicated that this plan "is a complete solution of the hoary and vexing problem of shifting values. . . . The scheme will thus facilitate the operation of a positive policy for agriculture, the improvement of road systems and public services, the preservation of beauty spots and coastal areas, the reservation of green belts, and National Parks, the control over expansion of existing towns and cities, the establishment of satellite towns and the planned location of industry in new areas."

It is implicit in the conception of planning that the management should be directed to forwarding the interests of planning and not with a view to financial return."

"Our recommendation is that the compensation to be paid should be assessed for the whole country as a single sum, the amount of such sum to be determined by reference to that fair value, and such sum to be divided among claimants in accordance with the value of the development rights attached to their land."



"It is essential to secure that, once land is acquired, it should not again be divided up among owners of small leaseholds."

On the assumption that the entire community benefits by planned development, the scheme calls for immediate appraisal of all property to obtain a base valuation. Every five years there should be a revaluation and a levy of "say 75 per cent" of any increased value, to be borne by the person "enjoying or capable of realizing the increased value."

Sir Ernest Simon, in commenting on the report, says: "This is a people's war and I believe that the people of Britain intend to make it a people's peace. There is every hope that the Uthwatt Report will be adopted; that this will be only the first step in taking all the necessary action to plan and rebuild Britain in one generation — to preserve the beauties of our countryside; to build fine and noble cities and to provide a pleasant and comfortable house for every family."

### SUMMARY. PART I

1. Our housing shortage is not a temporary condition. The war has aggravated a situation which has been growing for a long time.
2. Canada lags far behind most of Western Europe in taking steps to improve housing.
3. In a social audit the place of housing ranks high in its importance.
4. In most enlightened countries the place of governmental assistance for housing development stands unchallenged.
5. Town planning is universally accepted as an indispensable prerequisite of satisfactory housing development.

### IN GREAT BRITAIN

1. Over four million homes built since 1918. One and a half million of these with public aid.
2. The Town Planning Act of 1919 required town governments to take steps to meet the needs of its people.
3. In 1923 the central and local governments agreed to share the financial burden.
4. In 1924 a "gentleman's agreement" sought the co-operation of builders, etc., in keeping down costs. Action was taken to control land prices. Rents were thus reduced 20 per cent to 40 per cent.

### SWEDEN

1. After the last war the government paid one-third of the cost of building the cheaper houses and loaned the remainder at 4 per cent.
2. Industrial co-operatives turned their attention to housing and reduced rents 30 per cent to 40 per cent.
3. In 1929 the Swedish Housing Loan Fund was set up. The government aid looked after the poorer families. Slums vanished.

### GERMANY

1. Even in the face of inflation and post-war chaos, the Republic had an advanced housing scheme. National, state and town govern-

- ments joined in aiding co-operatives and limited dividend housing societies.
2. Local authorities supervised and carried out some of the best housing projects of their day.
  3. The Nazi government policy was only partially successful.

### VIENNA

1. Garden city colonies built by co-operative societies were most successful.
2. "Points system" used in selecting applicants for new housing.
3. A graduated rent tax levied on real estate.
4. A city government goes into the business of building.

### BELGIUM

1. Had legislation in this field as early as 1862.
2. In 1869 passed a housing law which served as a model for others.

### HOLLAND

1. Dutch Housing Act of 1901 was the first attempt made by law to provide for and to regulate housing in general.
2. Over 10 per cent of houses in Holland were built by municipalities and public housing societies.
3. These organizations of tenants were permitted to borrow 100 per cent of the cost of their buildings. The building to be paid for in fifty years and the land in seventy-five years.

### THE UNITED STATES

At present governmental machinery is provided for a large post-war expansion of public housing through four major departments.

### INDUSTRIAL HOUSING

Large companies have often found it well worth while to assist in providing proper housing for their employees. More attention is needed in this field.

### ENGLAND'S POST-WAR POLICY

#### 1. The Barlow Report.

This report recommended the decentralization of industry and the planning of social surroundings for the new communities.

#### 2. The Scott Report.

Showed the relation of city and country in terms of complementary productive functions and dealt with the utilization of land in the light of this relation.

#### 3. The Uthwatt Report.

Involves the nationalization of the development rights on land.

It is probably the greatest milestone in the history of planning and seeks to solve one of the greatest obstacles in the way of good town planning.

## IN GENERAL

Where countries have made progress the government and private enterprise have co-operated. There is room for all.

More co-ordination and over-all planning are needed.

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## PART II

# WINNIPEG HOUSING CONDITIONS

Winnipeg has had notoriously bad housing conditions for a considerable number of years. These conditions have been indicated by the Annual Reports of the Housing Inspector of the City of Winnipeg. The Chief Housing Officer, under date of November 9th, 1943, has reported to the Committee as follows:—

"The principal trouble in Winnipeg Housing is not room overcrowding, but overcrowding by families, lack of plumbing facilities, the installation of gas ranges without vents, and generally poor environment for children.

"As instances, which can be multiplied many times, the following cases have been reported during the last few days:—

1. 10 room house; has 1 sink, 1 water closet, 1 bath and 1 washbasin; 4 families; unvented gas range in each suite. Occupants: 3 males, 6 females and 2 children. Total 11 persons.
2. Dilapidated one storey, two room store now occupied as a dwelling. Bedroom—store portion—occupied by man, wife and 7 children.
3. Nine rooms—four families consisting of 11 persons. One set of plumbing; gas ranges unvented.
4. Nine rooms—four families. One room having 1,322 cu. ft. occupied for cooking and sleeping by man, wife, one adult girl and one boy, age 10.

"There is a gradual encroachment of the above conditions in the Residential No. 1 Districts. Nothing can be done as the War Time Prices and Trade Board Order No. 200 allows any person to sub-let in any way the tenant or owner sees fit."

A description of bad housing, appearing in the Winnipeg newspapers on June 12th of this year, discloses type of conditions that exist in this city. The article in the Tribune of June 12th describes the building as "a disintegrated brick structure," and we here quote part of the story:—

"It has 13 two-room suites. The rooms average about 12 feet square.

"In one suite was living a family of nine. They slept in two beds. Plaster was off the walls and ceilings in huge chunks. The rooms, as all were, were heated with small tin stoves.

"Children were scampering around the suite in bare feet. They were filthy. There was no closet space. One battered dresser served the family.

"On the wall, near a gaping hole, was a sign: "Home, Sweet Home" it said. Alderman Hallonquist read aloud: 'Be it ever so humble.'

"Common bathroom facilities were used by the tenants. The bathrooms were littered with paper, dirt and grime. In places the floors sagged dangerously with the weight of a person.

"Entrance to one suite was through a narrow tunnel underneath the stairs. You had to duck your head to enter."

Many similar illustrations might be given.

Considered generally, Winnipeg conditions parallel those found all across Canada. The needs in quantity of new housing and in relief of crowding are proportionate with the population of all other larger urban areas. However, the class of need in Winnipeg is particularized to that for low cost housing of the four to six roomed size.

There must be money provided to help those potential home owners in the community who have not sufficient savings with which to buy a house outright, but who can, out of their income, provide sufficient to repay principal and interest by instalments amortized over a long period. This is "A" Type of Housing Finance, as described in Chapter 4 of Part 5 of the section on Housing Finance.

It has become apparent that in all countries and in all large cities there is a class who cannot afford a minimum standard of decent housing. This group of citizens will never be able to provide their own housing from their own resources. It is obvious that the need for this type of housing can be met only by the expenditure of public funds. This is "B" Type of housing finance as described in Chapter 4 of Part 5 of the section on Housing Finance. In the lack of decent housing for this group of any community is found one of the most fertile sources of disease, crime and especially of juvenile delinquency.

## CAUSES AND RESULTS

Winnipeg's housing difficulty is not a condition that has arisen recently or suddenly, but is one that has developed over a number of years and from a number of contributory causes.

### Depression

Obviously the economic depression of the last decade, together with the many evils which came with it, has been one of the largest causes of the trouble. Of these evils mention should be made of a number.

Because of the necessity for relief measures many rents for families receiving relief were depressed. This, in turn caused loss of value in property, and owners became unable to carry out any maintenance.

By reason of the lack of income, many families crowded together, two families using a house adequate in rooms and facilities for only one. Thus one of the worst of slum conditions was aggravated.

Decreased income also forced many families to move to cheaper and still cheaper housing units in order to have enough to buy food. This again caused depression of values and put more and more people into inadequate homes.

Many families from rural areas moved to the city during this period,

and before long were added to the city's relief burden. They swelled that portion of the population in search of extremely low rentals.

### Trade and Industry

Winnipeg has lacked large, dependable labor absorbing industries, which itself has been an operating cause of crowding and poor conditions. The Goldenberg Report on Municipal Finance and Administration for the City of Winnipeg said this on the subject:

"The decline in trade, the low labour absorption capacity of manufacturing and the lack of construction activity are all reflected in the index of employment in the City. The index of employment (inclusive of all industrial division) was 93.1 in 1938, as compared with 100 in 1926. Moreover, it cannot be said that the downward trend is being reversed. In the year of greatest unemployment—1933—the index stood at 80.2; it rose gradually until in 1937 it stood at 95.1. However, it dropped again to 93.1 in 1938. No other large Canadian city shows an index of employment for 1938 below that of 1926.

"Other indices of economic activity show the same situation. Both the manufacturing and construction indices for Winnipeg are lower than for Montreal, Toronto, Windsor or Vancouver. Trade indices for Montreal, Toronto, Hamilton and Vancouver range from 30 to 39 points higher than for Winnipeg. The transportation indices tell the same story."

### Rentals and Building

Low rents and the continuance of proportionately high building costs drove all investment away from construction, particularly of homes, and there was a virtual cessation of home building. Statistics show that 1930 was the last fair building year with the provision of 766 new dwelling units. From there it dropped to 191 in 1932 and gradually sank to 83 in 1936. Following this came a slow rise until, in 1941, 654 units were provided. At this time the requirements of war caused restrictions that have since reduced this number per year.

In spite of the upsurge of building in recent years, the number of units available at the end of each year has been steadily decreasing. The following table shows what has been happening:—

Year	No. of New Houses or Suites added	No. of Units Available at Year End
1938 .....	261 .....	821
1939 .....	361 .....	704
1940 .....	423 .....	337
1941 .....	654 .....	111
1942 .....	603 .....	94

The lack of available housing has been aggravated by a rising population in the city. The population figures for the period covered by the above table are shown herewith:—

Year	Population
1938 .....	222,454
1939 .....	223,735
1940 .....	224,252
1941 .....	225,437
1942 .....	227,004



The available vacancy situation has been further aggravated by the sale regulations of the rentals control of the Wartime Prices and Trade Board. Many owners will keep houses vacant if they wish to sell and have no immediate buyer, since, if a house is rented the regulations require a twelve months' notice to vacate and then only if the owner himself wishes to live in it.

The City Housing Inspector's report further shows that, as against 13,249 marriages in the city in the past five years, there have been only 2,302 dwelling units added.

The lowest point on record in the matter of available housing was reached at the beginning of October, 1943, when enquiry from 17 rental agents showed only three vacant houses in Winnipeg. Two of these were in high class residential districts and could not in any way meet the prevailing demand.

## INCOMES AND RENTS

(NOTE. There has been no detailed survey of Winnipeg conditions which will give accurate statements and statistics. At this time the 1941 Census figures are not yet available, so that the figures included are the best recorded to date for the area and conditions under consideration. Many of these are from the 1936 Census.)

A thorough study of the Preliminary Housing Bulletin No. 30, of the Dominion Bureau of Statistics, will show the need for housing in the low cost subsidized class in Winnipeg. This bulletin is based on a one in ten tabulation of facts concerning private families with wage earner heads in twenty-seven cities in Canada with a population of over 30,000. Private families with wage earner heads form about 65 per cent of all households in these cities.

### Subsidization Group

In Winnipeg, statistics show that there are 19 per cent of households that are crowded, which means that this 19 per cent provide less than one room per person living in them. Now, while this is about the average condition existing in the twenty-seven cities of over 30,000 population across Canada, the income position of those in Winnipeg living in these households is relatively poorer. This is shown by the fact that the mean income of wage earner heads of families living in these conditions in the twenty-seven cities is \$1,100.00 per annum, whereas in Winnipeg it is only \$942.00. There are only two cities, Hull and Saskatoon, with an income for this group which is lower than Winnipeg's \$942.00.

A generally accepted rule is that 20 per cent of the income of wage earners represents the proper proportion to be spent on rent if enough is to remain for the other necessities of life. Applying this rule to a consideration of the Winnipeg situation, the indication seems to be that there is an unusually large proportion of people in Winnipeg requiring housing which can be rented on the average for \$15.66 per month, on this basis of 20 per cent of income being an economic portion to pay for rent. To provide decent shelter for a family in a house or suite in Winnipeg for \$15.66 is, and has been, an impossibility.

When the situation is examined in detail, the need in Winnipeg for housing for the wage earner groups in the lower brackets becomes still

clearer. One large group of households, 4,559 in all, are maintained by wage earner male heads whose yearly income runs between \$449.00 and \$949.00. This means a monthly wage of \$37.50 to \$79.00. Applying the twenty per cent rule these male wage earner heads can afford rents of \$7.50 to \$15.80. But actually about 3,000 of this group are paying more than \$15.00 a month. Thirteen hundred out of the 3,000 are paying over \$24.00 a month. In case it is thought that these 3,000 were able to pay this higher rent because of keeping lodgers in the household, it may be stated that, out of this number, 2,189 had no lodgers or sub-tenants.

Another group of renters, comprising 4,871 in all, having incomes ranging from \$79.00 to \$121.00 a month, and thus being able to afford rent of from \$15.80 to \$24.00 per month rent, has within it 3,014 heads of families who pay over \$24.00 monthly rent.

### **Assistance Required**

Thus, within each group, about 60 per cent of the heads of families concerned, are paying more than the 20 per cent of their incomes accepted as the reasonable rent. In very many cases, even for the higher rent, they are not getting what may be called decent shelter. Where the line dividing income groups is drawn (see Chapter 4, Part 5, Section on Finance), depends on what type of financial aid these 6,000 families require. It is beyond argument that they must have some form of financial aid if their families are to have decent shelter.

In scanning the Federal Bureau of Statistics Bulletin on Housing, made up from the 1941 Census figures, we find that Toronto has 4 per cent of housing units renting for less than \$15.00; Hamilton has 8 per cent; while Winnipeg has 14.4 per cent. Again this is a rent which will not obtain adequate decent housing for a family in Winnipeg.

It is almost certain that in Winnipeg these housing units renting for \$15.00 a month are occupied under light housekeeping conditions. Experience shows that sections of a city in which light housekeeping practice predominates rapidly deteriorate and tend to become slums.

### **CONDITIONS OF CROWDING**

As has been mentioned, the accepted standard below which housing cannot be considered adequate from the standpoint of sufficient room, is that of one room per person. In the Dominion Bureau of Statistics Bulletin on Housing, based on the 1941 Census figures, we find that the average provision of the 27 cities listed is 1.3 rooms per person. Winnipeg's average is 1.2 rooms per person, or slightly less. Winnipeg's slightly less favorable position is further shown when we see that the average of the 27 cities gives 3.9 persons per dwelling with 5.4 rooms per dwelling, whereas Winnipeg has 4.3 persons per dwelling and 5.2 rooms per dwelling.

There is another angle from which the situation in Winnipeg may be considered. It is found in the number of housing units occupied by two or more families. The Chief Housing Inspector, at the beginning of November, 1943, stated that the proportion of these homes was more than 25 per cent. This proportion of doubly occupied homes is somewhat smaller in the 10 per cent sample on which the housing information of the 1941 Census is compiled, but it still shows Winnipeg as having one of the worst situations in the whole matter of single family dwellings occupied by two or more families in the whole country. Only Halifax and Toronto are

worse. The Winnipeg figure is 150 per cent of the average of the 27 cities included in the housing statistics of the 1941 census.

## SUMMARY. PART II

Winnipeg's condition has developed over many years, and was added to by the evils of depression in the past decade.

There has been little building in Winnipeg for a number of years, particularly compared with the increasing population and the need of better accommodation.

Winnipeg has lacked large, dependable labor absorbing industry, which has aggravated the situation and is reflected in lower incomes for those already in a poor position financially, making this group one of the worst in Canada.

There are at least 6,000 households needing assistance of some sort to bring their rental expenditures in line with their incomes.

Winnipeg's crowded group, while proportionate in numbers with other cities, exhibits worse conditions within the group itself than generally found across Canada.

From all these figures the situation in Winnipeg is revealed as one in which the wage earner making between \$80.00 and \$125.00 a month finds it almost impossible to get decent housing at the rent which he can properly afford. When it is realized that this group almost certainly includes the younger workers of the city, and more particularly the young married people, it is difficult to escape the conclusion that this younger group of citizens are starting life definitely handicapped because their city has not made provision for the type of home which they can afford to occupy.

If the situation is bad for this group, it has become absolutely impossible for the wage earners supporting a family and earning less than \$80.00 a month. It is clear that Winnipeg has a large number of citizens in this group whose needs have never been seriously considered. How those needs can best be met is considered fully in the section on Housing Finance.

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## PART III

# TOWN PLANNING

## THE NEED FOR LEGISLATION

Amongst those who have studied the problem of Housing, it is universally accepted that, for a successful Housing Scheme, there needs must be carefully considered Town Planning and Zoning. With this the Committee agrees. The Committee was not appointed for the purpose of sitting and reporting upon Town Planning, which in reality is subsidiary. On the other hand, the success of housing schemes is so dependent upon Town Planning that we feel a few words might usefully be said upon the subject. The connection between the two is so close that, when Britain attacked the Housing problem around the turn of the century, it was done through an Act known as "The Housing and Town Planning Act." It was not until 1925 that planning was definitely separated from housing. Now planning in England is extended into rural and regional planning. It is the opinion of the Committee that there is sufficient work in our city to keep both a Housing Commission and a Town Planning Commission busily employed for a long time to come. However, they should work in very close harmony. We quote and adopt sundry quotations from the Report of the Montreal Board of Trade on Housing which has reference to Town Planning:—

"Without legislation for Town Planning it is idle to expect the Dominion participation in housing operations would be fully protected. Control of subdivision and rationalization of street planning are essential to the provision of the kind of parcels of land that are required for housing operations. Zoning is indispensable for the protection of housing schemes during the life of the construction involved, which would usually be sixty years."

## THE ADVISORY BOARD AND TOWN PLANNING COMMISSIONS

In their Province they suggest that there should be an Advisory Board, under the Ministry of Municipal Affairs, to assist municipalities in setting up their own Town Planning Commissions. They suggest that an Advisory Board should also act as a Court of Appeal in certain cases that arise between rival interests when Town Planning is embarked upon. Whether this is a necessary refinement or not may be questioned in our Province, where cities are not very numerous. However, when one views the delightful little village of Pine Falls, which is a product of careful Town Planning, one cannot help but feel that even the smallest of villages would benefit by thoughtful planning. Without some central provincial authority in the Municipal Department, it is not likely there will be much planning in the

towns and villages. We can, however, agree with the Montreal Report in their recommendation that Town Planning Commissions should be set up within the Municipal areas and provision made for their appointment, financing and administrative work. These Commissions should have continuous existence, the members retiring by rotation. The Report goes on to say:—

“Expert staffs to study the technical problems and prepare the actual plans for future development, have to be provided for as servants of the Town Planning Commission.

“The Town Planning Commissions’ duties are: to prepare, with the help of their technical advisers and assistants, a comprehensive general plan, followed by major street plans, which, in turn, are followed by detail plans, all aimed at the conservation of economic and taxable value of land and buildings with respect to traffic facilities and general amenity. These plans involve preliminary aerial, ground and zoning surveys; also co-operation with public utility corporations, and foresighted provision for parks and recreational spaces. They include the division of the municipal area concerned into zones or districts, for specific purposes, such as business, residence, heavy and light industry and the housing related thereto.

“The projects of the Town Planning Commission have to be reported to the Municipal Authority for approval, from time to time. Once the Municipal Authority has approved a plan, what has been approved must have the force of law. There should, of course, be provision for appeal by those interested within a specified time . . .

“Then again, provision has to be made for the amendment of an already adopted plan; for cases will arise where streets located, but not constructed, may, in later years, require re-location. Much of the ‘gridiron’ plan surrounding Montreal on paper only, requires treatment under this heading, and the necessary powers and procedure have to be defined.”

With all of this the Committee is in general agreement.

## THE NEED FOR A FLEXIBLE PLAN

It must be realized that Town Planning and Zoning is not something which can be done once and for all. It is true that uniform uses of land for long periods of time are desirable, but cities live for generations, and to attempt to fix the uses of a district for eternity by one enactment is a mistake. An old Greek philosopher has said that nothing is constant in this world but change. It should be provided for. Uses change with the growth and ageing of districts. Town Planners must cope with the problems of each decade and each generation as they arrive. Our studies have shown that in this city the expensive homes of the wealthy of the last generation are not being bought and lived in by the wealthy of this generation. Apparently the wealthy persons of today want and can afford something different from what their predecessors in the last generation thought was the last word in houses. It is an economic waste to tear down these expensive buildings and the empty lots where they used

to stand, now covered with weeds, are an eye sore. The good of the district may well be best served by turning these homes into high class duplexes or small apartments. With rigid Town Planning or Zoning Schemes, such a change is usually impossible. Although the maintenance of a uniform use for long periods of time is essential, nevertheless, eventually such a change may well be necessary and the power of making such change should be vested in the Town Planning and Zoning Commission.

In emphasizing the usefulness of such a Commission, one must not lose sight of the fact that such a Commission can be of great value to a community in advising on the layout of subdivisions. Of these we still have some. It is to be noted that, from 1882 until 1942, subdivisions have in this city been laid out on what is referred to as the "gridiron" plan, with intersecting streets at right angles. This is what the Montreal Board of Trade Committee says in respect of that type of street layout:—

"The Committee recognizes that infinite harm has been done both within and without the city limits by the continued spread of the 'gridiron' plan in recent times. It is most regrettable that, for the past twenty-five years, the warnings of those who have urged systematic City Planning on the authorities have passed unheeded."

In Winnipeg, Town Planning and Zoning is entrusted to a Committee of the City Council. It is admitted that much valuable work in zoning has been done through this Committee. On the other hand, had Town Planning been entrusted to a Committee largely composed of men who had no other public duties, who were enthusiasts for the work and earnest students of the subject, much more might have been accomplished.

## TORONTO HOUSING

At the time of the Bruce Report on Housing, the City of Toronto had a similar system, which is critically examined in the Report. That Report says:—

"The present Department of City Planning and Surveying was created in 1930. It is an outgrowth of the surveying work carried on by the Assessment Department. . . . The City's consent is now required to all subdivision plans. . . . Such plans must fit into the general plan of development for the City. The Department is concerned mainly with street and traffic problems. . . . At the present time there is no organization responsible for initiating a city-wide plan to direct the future industrial, commercial and residential expansion of the city. . . . Toronto lacks a modern City planning organization. The work of preparing plans should be entrusted to an independent organization with competent technical assistance, and provision should be made for the execution of the plans. Existing measures of Town Planning in Toronto are inadequate to prevent a further deterioration in housing or to guarantee a satisfactory environment to large numbers of her citizens."

Later the Report continues:—

"It is essential that a City Planning Commission be established forthwith. This would be desirable even if there were no problems of



housing in existence. The lack of a single body to plan and guide urban development should be a matter of concern to all the citizens of Toronto. It is remarkable that property owners, industrialists, business men, taxpayers and voters should so long have permitted their interest to remain unguarded. For there is no citizen who does not stand to profit, in the long run, from a beautiful, orderly and conveniently planned city; there is none who does not stand to lose from the waste of a city which sprawls haphazard at its outskirts and which decays in congestion at its heart. But when we add to the need for a body to plan and guide future development the immediate necessity for reconstructing certain areas, where housing conditions are beyond the toleration of civic conscience and civic pride alike, then the case for a City Planning Commission becomes overwhelming. To undertake the reconstruction of these areas, at considerable trouble and expense, without ensuring that the development of the city would be such as to improve, rather than degrade their surroundings or that equally obnoxious conditions would not develop elsewhere—such a policy would be to reject the light which is available and to leap wilfully into the dark. . . . We would suggest that a chairman and seven other competent disinterested and independent citizens should be appointed by the City Council. These Commissioners should hold office without remuneration for a period of three or four years and retire in rotation. The Commission should appoint an expert in city planning who would be a full time salaried official and the head of its paid staff."

### TOWN PLANNING IN WINNIPEG SINCE 1913

The situation in Winnipeg is well summarized in an address recently given by a prominent citizen much interested in Town Planning:—

"Similarly, Winnipeg has had experience with Town Planning. Much excellent work was done by the foresight of individual enterprises and individual members of the City Council, but without any general plans. In 1913 it was recognized that there should be a more systematic planning of the whole city and a Town Planning Commission was appointed, headed by ex-Mayor Sanford Evans. Unfortunately, the break of the boom and the coming of the war in 1914 put an end to the plan of this Commission.

"In 1925 a Winnipeg Branch of the Town Planning Institute of Canada, a body incorporated by special Act of the Dominion Parliament, was established and the present Lieutenant-Governor was made Chairman and continued in that office for several years. The Institute did much good work in arousing public interest and in devising plans for particular improvements, and through its agitation some improvements, particularly the Salter Street viaduct, were carried through. The Institute, however, found itself handicapped by the fact that it was an unofficial body and unable to make much headway with the then City Council. Some of the Labour members of the Council could see nothing in any development plan but a real estate speculation; some of the business aldermen were so bent on economy that they could not see the wisdom of spending one dollar now to save five dollars later on; in some

cases, interests which thought they might be adversely affected by the proposed improvements exercised considerable adverse influence. The most successful achievement of the Institute was in securing the passing of a general Zoning By-law, under which several particularly good zoning schemes have been carried out. These Zoning By-laws have made important provision for the protection of several areas, but they are constantly in danger from applications for exceptions which look harmless in themselves, but defeat the whole purpose of the zoning schemes. The by-laws were also not sufficiently drastic in dealing with undesirable uses which had already gotten into home districts. A striking example of such zoning by-laws is to be seen in the district known as River Heights, where in an area of about a mile square no building other than a single or duplex residence can be erected except within the limits of a small island reserved for business. If this plan is rigidly adhered to there is no reason why this district should ever go down. There has, unfortunately, been considerable infringement of the By-laws during the years of depression, and this provides another strong reason for additional housing accommodation, as it is difficult to enforce restrictive uses if there is no available accommodation for the people who would be forced out of their present quarters. In fact, a part of the trouble is due to the failure of the city to enforce its by-laws during the 1920's when they could have been enforced and as they were enforced in the more difficult period prior to 1914.

"The members of the Institute became convinced that good progress could not be made without the formation of a Town Planning Commission, appointed and recognized by the City Council and composed of members whose prestige would be sufficient to give their recommendations the backing necessary for their carrying out. It, therefore, pressed on the City Council the desirability of appointing such a Commission. Eventually it secured the submission to the electors at the municipal elections of 1931 of a plebescite on the question of the appointment of a Town Planning Commission, and also on the further question of the form of such a Commission, i.e. whether it should be composed of a majority of members of the City Council or mainly of outsiders with some Council representation. The citizens voted by a very large majority in favour of a Commission and by a smaller majority in favour of the latter form of Commission. The particular proposal was a Commission of seven citizens, together with the Mayor and two Aldermen, the idea being that the citizen members would do most of the work but would be kept in touch with the views of the representatives of the people through the aldermanic members.

"The present situation, is therefore, that the Council could, at any time, without delay and by authority of the electors, appoint a Commission and proceed at once with the study of the problems involved, and the working out of Town Planning schemes. There need be no delay on this account in making progress either with housing plans or with wider plans for civic improvements."

It will be seen, therefore, that the citizens of Winnipeg have already expressed their desire for an independent Town Planning Commission. The

Committee is in agreement. Members of Council are very busy men, particularly these last few years. Demands upon their time are already tremendous. Much better for all concerned that they should ask other citizens now making no contribution to public life to assume the duty of studying and qualifying as authorities in this branch.

In so saying, however, we do not want the public or Council to lose sight of the fact that they have a very serious responsibility and an obligation and that is to see that they use a wise discretion and judgment in making their appointments. Unless they see that the best available men in the community are chosen for this Commission, then Council is derelict in its duty. To choose men for other than their fitness for the job is to court disaster. We have no doubt, however, that in the main thoroughly satisfactory Commissions will be obtained by this system of appointment.

### SUMMARY AND RECOMMENDATIONS

- (1) Carefully considered Town Planning must precede any successful housing scheme.
- (2) Town Planning and Zoning is not something that can be done, once and for all. After long periods of time adjustments will be necessary.
- (3) The Bruce Report on Housing in Toronto suggested a Town Planning Commission, independent of the City Council, consisting of a chairman and seven other competent disinterested independent citizens.
- (4) Winnipeg citizens have done considerable work on Town Planning, and, as a result, a plebescite was taken in 1931 on the question of a Town Planning Commission. The citizens voted by a large majority in favor of a Town Planning Commission composed of mainly outsiders with some Council representation.
- (5) The City Council now has power to appoint such a Commission.
- (6) This Committee would recommend the appointment by the City Council of such a Town Planning Commission, consisting of say four citizens, competent students of Town Planning, and three members of Council, the Mayor and two others.
- (7) In order that there might be no decisions made on a narrow basis of this or that municipal advantage, this Committee believes that there should be a Provincial body, superior to City or Municipal Town Planning Commissions, having the duty of co-ordinating all regional planning.

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## PART IV

# HOUSING COSTS

## INTRODUCTION

The cost of the construction of houses in Winnipeg is comparatively high, sufficiently so to cause hardship to those in lower income groups in their efforts to get adequate shelter at prices or rents which they can afford. At the same time few investments in real property have yielded a fair return on the capital invested.

The purpose here is to discuss the cost of housing in Winnipeg, which has been found too high to permit a large section of the population to own their homes; the causes of these costs; some remedies that may be applied; also to make recommendations on the types of housing most suitable for this area on the rehabilitation of existing housing, and on subsidization for both of these types of low-cost housing.

The following outline of headings suggests the scope of this report, the factors considered and the recommendations which resulted:

- Chapter 1. Housing characteristics, including rooms, sanitary and heating equipment, and the occupants.
- Chapter 2. The cost of land upon which the house or housing is built.
- Chapter 3. The cost of construction of housing, which includes the natural conditions (soil, climate and building season), material and labour costs, and large scale production.
- Chapter 4. The cost of operating and maintaining the housing and land, which includes financing and amortization, taxes, and maintenance.
- Chapter 5. Recommendations include the following:—
  - Town Planning and Zoning;
  - Employment of properly trained authority;
  - Licensing contractors;
  - Revision of the Building Code;
  - Recommended types of housing;
  - Rehabilitation of existing housing;
  - Subsidization.
- Chapter 6. Summary and Conclusion.

## CHAPTER I. HOUSING CHARACTERISTICS

### (a) Number of Rooms.

The statistics on houses built under the National Housing Act shows that the average size of these homes in Winnipeg is five rooms. The only other

city in Canada which shows a smaller average size for N.H.A. houses is Toronto with 4.9 rooms.

The Toronto Bureau of Municipal Research has published figures in its White Paper No. 278, which show comparative statistics for the nine Canadian cities with a population of over 100,000. This shows that, of the nine, only three have less rooms per dwelling over the whole city than Winnipeg.

#### **(b) Sanitary Equipment.**

When we again consider the statistics on houses built under the National Housing Act we find that Winnipeg is low on the scale with respect to the number of plumbing fixtures per dwelling. In 87.5 per cent of N.H.A. homes built in Winnipeg, there are only four pieces of equipment — the minimum. This would seem to indicate that, desirable as such other plumbing equipment as laundry tubs, secondary flush toilets, and wash basins may be, few people felt that they could afford to pay for this equipment, and, as a result, the purchase of plumbing fixtures has been kept to the irreducible minimum.

#### **(c) Heating Equipment.**

The heating equipment of 96.1 per cent of homes built under National Housing Act loans in Winnipeg has been gravity hot air type. This is the least expensive type of heating installation from the standpoint of capital cost. This would also seem to indicate the necessity for people to keep down the proportion of their money invested in manufactured equipment, paralleling the situation with respect to plumbing.

The section of this report on "Existing Housing Conditions" (see page 17) gives further details of physical characteristics of housing.

#### **(d) The Occupants.**

Having examined some of the physical aspects of the houses themselves, let us turn to the occupants to see, whether or not housing fits and equips them properly, particularly new housing which, presumably, should be the best in these respects.

Of those building houses for themselves in Winnipeg under the N.H.A., we find that 92.5 per cent of them are married and average 37 years of age. However, in spite of the fact that almost all were married and had reached a mature age (i.e. they were not newly married) the average number of dependents was only 2.1. This indicates a comparatively low birth rate. For those who are interested in the subject we might state that it has been stated by persons of some authority, that housing conditions have a direct relation to birth rates and population increases.

It has also been pointed out by students of housing conditions that housing has a real effect on the mental life of occupants. People who have never known reasonable privacy, because they have always lived in overcrowded homes, cannot conceive what a proper layout of rooms for privacy means in the easing of family tensions and in added comfort. Those who have always had plenty of room to escape from too much family or

from too much next door family, find it hard to imagine the tensions and difficulties such conditions create. So also an extra room or sound proofing between apartments becomes something of importance. Proper play room for children and a little extra space to move around in are matters of consideration. One architect has said, "After you have seen families really living in premises with kitchen dining and with living room dining, you will never willingly design another one without a large ample kitchen. The fact that young childless couples prefer the dining alcove off the living room will not throw you off the track."

The solution of any housing problem must depend upon the careful study of facts, both tangible and intangible. Too often, the technical planner, in his eagerness to arrive by scientific analyses and deductions at the solution which will function logically and with maximum efficiency, fails to analyse and consider that most vital element of housing—the **human element**. We would emphasize that the planning of housing for Winnipeg, whether new or revised, must develop from a thorough knowledge of the vital statistics and characteristics of the groups to be housed. Then, and only then, can we hope to eliminate slum areas and all the evils pertaining thereto.

## CHAPTER II. COST OF LAND

With respect to the cost of land for housing in Winnipeg, we find, on examination of the National Housing Statistics, that the average land charge or cost of a lot for houses built in Winnipeg under the National Housing Act has been \$282.00. It is obvious that, if land is expensive, then it will offer an immediate barrier to be overcome by the prospective home owner, since he must have land before he can give much consideration to building. If we compare Winnipeg's average N.H.A. land charge of \$282.00 with other cities in Canada, we find that it is comparatively low, since only Ottawa, with an average of \$206.00, and London, with an average of \$224.00, are lower than Winnipeg. Therefore the land cost has not been a factor tending to make housing costs in Winnipeg higher than elsewhere in Canada. However, since housing on the whole has appeared to be comparatively expensive, it would indicate that some of the other expenses entering into housing in Winnipeg are disproportionately high.

In spite of the foregoing facts, it is not unreasonable to hope that land prices may be reduced appreciably. The following suggestion is made for the consideration of those who will be in authority in the community in respect of housing.

If all land to be used for residential purposes or for housing as designated by a master plan developed by a proper city planning authority, were acquired by the government through various means (as suggested below), it could then be leased to developers and prospective home owners. The rent paid to the government would replace the income from taxes on the land, the government receiving rent instead of taxes. The housing developed thereon would not be charged with the cost of the land as a capital charge, but merely with the rental as an operating charge. Thus the capital expenditure at the outset would be reduced. Interest charges on the land cost would also be eliminated. At the same time, by retaining



ownership of the land, the government could better control the type of construction put on the land, and its use and maintenance, thus ensuring adequate standards of planning, safe and weather tight construction, proper sanitation, and so forth.

To expedite such a land leasing scheme, the government would have to establish a land court to determine the fair value of properties. It would also have to provide machinery for speedy expropriation. These two things might be incorporated in the establishment of an Urban Land Corporation. This Corporation would hold all the land, paying the present owners on the basis of value as determined by the land court and which would collect all rentals on all land leased.

### CHAPTER III. CONSTRUCTION COSTS

#### (a) Natural Conditions.

Costs in Winnipeg area are unavoidably higher than in most cities of Canada because of natural conditions peculiar to this section—sub-soil, climate, and shortness of building season.

1. **Soil.** Sub-soil conditions in Winnipeg are such that the ordinary type of footing, commonly called the spread footing, is practically useless. This is due in large measure to the variation in depth from the surface of suitable clays of proper density, consistency and moisture content, and to the variation in their ability to retain moisture at a more or less stable content. The levels of such suitable clays upon which foundations may rest with reasonable security are generally deeper than the levels at which most house foundations are placed. This condition exists over the entire Greater Winnipeg area, with very few exceptions. It is therefore necessary to use a type of footing or foundation which will provide bearing on these suitable, deep-lying clays. This type of footing obviously is somewhat more expensive than the ordinary one in general use elsewhere, possibly to the extent of \$100.00 per house. Due to the nature of the bearing soils, it is necessary to use poured concrete basement wall with steel reinforcement. This construction is more costly than, say, pre-cast cinder concrete block foundations on a 4 to 6 inch thick footing, such as used in Toronto and other Eastern cities. No steel reinforcement is used in these cinder concrete block walls or footings. Further, there is a great saving in time over the poured concrete foundation, as no forms are required, nor is there any time lost awaiting the curing of the concrete, the removal of forms and the salvaging of form lumber. Loss of forming lumber in salvaging is unavoidable. The average basement will cost in the neighbourhood of from \$600.00 to \$700.00 constructed in accordance with common practice and the City By-laws. This initial cost obviates any possibility of a really low cost housing unit. A few experiments have already been made in building houses without basements in Winnipeg, but not enough is known about these to warrant recommendation for general use. It is suggested, in view of the importance of this subject in Winnipeg, that a research bureau be established at the University of Manitoba to investigate general construction problems in the Prairie Provinces.

2. **Climate.** The extreme variation in temperature between summer and winter in Winnipeg demands a type of construction which has a high, over-all thermal resistance. This means that the walls, roofs and floors must be so constructed as to include an efficient, as well as economical, thickness of insulation to check the passage of heat, cold, moisture, wind, etc. Such a requirement in construction adds materially to the cost. Heating systems must be capable of maintaining a 100 degree F. differential. During extremes of winter, these systems must maintain 70 degrees F. inside, while the outside temperature is -30 degrees to -40 degrees below zero. In addition, they must be able to compensate for strong winds during these periods of low temperatures, and do so with economy of operation. Such heating systems are, therefore, more expensive than those required in parts of the country with less rigorous climates.

3. **Shortness of Building Season.** The best building season for greatest economy in construction costs is limited to the late spring, summer, and early fall. Work done during the rest of the year increases costs materially. Part of the time, no work can be done outside because of the extreme cold. During the winter, most of the trades are limited in activity, the work having to be done under conditions requiring heat and wind protection.

#### (b) Materials and Labor.

1. **Labor Wages, 1941.** It would seem from the following table, which has been taken from the Department of Labour Report No. 5, that the wages of the building trades in Winnipeg are not out of line with those of other cities. From this we may conclude that it is not labour which causes higher building costs of houses.

#### DEPARTMENT OF LABOUR, CANADA, 1941

	Brick-layers	Carpenters	Electricians	Painters	Plasterers	Plumbers	Sheet Metal Wkrs.	Labourers
Halifax .....	1.00	.90	.80	.75		.85		.40
	.95	.80	.70	.62½	.80	.75	.70	.35
St. John .....	.90	.70	.65	.60	.90	.80	.65	.40
								.35
Quebec .....	.85	.65	.65	.60	.85	.65	.65	.45
Montreal .....	.92	.81	.87	.74	.90	.90	.82	.45
Ottawa .....	1.10	.90	.85	.75	1.00	1.05	.95	.50
								.40
Kingston .....	1.05	.90	.80	.80	1.05	.90	.80	.40
							.75	
Toronto .....	1.12½	1.00	1.10	.85	1.10	1.10	1.07½	.50
								.40
Hamilton .....	1.00	.90	.70	.70	.90	.90	.90	.45
			.65		.80			.35
London .....	1.05	.85	1.00	.60	1.00	.90	.70	.50
								.35

	Brick- layers	Carpen- ters	Electri- cians	Paint- ers	Plas- terers	Plumb- ers	Sheet Metal Wkrs.	Labour- ers
Windsor .....	1.15	1.05	1.20 1.15	.75	.90	1.15	.85	.55
Fort William .....	1.15	.80	.85	.60	1.00		.80	.45
Port Arthur .....	1.00	.70	.65	.50	.80	.90	.75	.40
Winnipeg .....	1.15	.95	.95	.75	1.15	1.05	.75	.50 .45
Regina .....	1.20	.90	1.00	.70	1.00	1.00	.75	.45
Saskatoon .....	1.00	.75	.80	.70	1.00		.90	.45
		.55	.70	.55	.75	1.00	.75	.30
Calgary .....	1.20	.95	1.00	.80	1.10	1.05	.90	.40 .50
Edmonton .....	1.10	.95	.85	.80	1.05	1.10	1.00	.50 .45
Vancouver .....	1.22½	.97½	1.00	.80		1.12½		.50
		.75	.85	.75	1.00		1.07½	.45
Victoria .....	1.12½	.92½	1.00	.75	1.00	1.00	1.00	.50 .45
		.75					.90	

## 2. Material Costs.

### (a) Sanford Evans Report on Lumber Prices

From time to time lumber costs in Winnipeg have been the subject of comment. The Sanford Evans Statistical Service is now preparing a table of comparative lumber costs throughout Canada. We regret that it will not be available for consideration by this Committee. We recommend that those in authority carefully study these figures when they are published.

### (b) National Housing Act Report on Heating Costs

The following table shows the actual cost of labour and materials on an identical hot water heating plant on an identical house for the cities named:—

#### HEATING COST BASED ON SAME HOUSE AND EQUIPMENT

Toronto .....	\$219.00	100%
Montreal .....	\$245.00	110%
Ottawa .....	\$276.00	125%
<b>Winnipeg</b> .....	<b>\$370.00</b>	<b>170%</b>
Regina .....	\$430.00	200%
Vancouver .....	\$265.00	120%

The above prices were furnished by the Housing Administration, Department of Finance, Ottawa.



**3. Large Scale Production.** Where demand and the normal physical development of urban areas make it possible, the erection of a large number of houses at the same time and by the same organization, using conventional construction methods, has indicated small savings in the cost per house. This is more particularly true where these houses are all of similar framing or common structural form and are built on one large site. These savings tend to disappear as the basic structural form varies and if the houses are scattered on many individual lots throughout a city.

**Prefabrication.** During the past few years many ingenious methods have been developed for the production of houses by prefabrication. These vary all the way from the factory production of windows, doors and interior fittings to the complete production of the house and all its parts in the factory, the only site work being foundations and the assembly of the house parts.

Some of these methods have been developed into large scale production, particularly in the United States, and notably during time of war or preparation for war. These systems have saved time in the production of houses for war emergency. Because of the difficulties of price and materials during such emergency, the financial saving that may have been derived is difficult to determine.

However, since there are possibilities for economies in the production of homes for low-income groups by either mass production or pre-fabrication, in whole or in part, or both, in the period after the war, we recommend that such possibilities should be investigated at that time in the light of existing conditions.

**Standardized Building Materials.** In the field of building materials there exist at present many varieties of design and size which are expensive to produce and frequently wasteful of the basic material. A classic example is to be found in the millwork industry, where infinite variations of substantially the same moulding are produced, where thickness of material varies by fractions of an inch, all adding to the cost of the house without increasing its utility or livability.

In order to overcome such waste and difficulties, we recommend the establishment of a National Materials Standards Committee to determine proper and adequate standards of sizes and specifications for building materials in Canada. Its personnel should be composed of men technically qualified and thoroughly familiar with materials and production processes.

## CHAPTER IV. OPERATING AND MAINTENANCE

### (a) Financing and Amortization.

**1. Reduction of Interest Rates.** It is obvious that a reduction in interest rates would lower the carrying charges, and thereby also lower the final cost of the house. The following comparative average rates of interest on mortgages in various Canadian cities throw some light on the interest question. These figures are from the Toronto Bureau of Municipal Research White Paper No. 278, published May 3rd, 1943, and based on 1941 Census figures:—

City	Interest Rate
Winnipeg .....	6.3%
Vancouver .....	6.0%
Edmonton .....	5.9%
Hamilton .....	5.8%
Toronto .....	5.7%
Montreal .....	5.7%
Quebec .....	5.7%
Ottawa .....	5.3%
Windsor .....	5.4%

It will be seen from the above table that interest rates in Winnipeg are the highest recorded, being 0.3 per cent over the next highest, which is Vancouver, and 0.6 per cent higher than the average of the nine cities. Inasmuch as interest represents a substantial proportion of the cost of the house to the average person, those in authority should at all times keep a close check on interest rates. If at all possible they should be reduced. It is obvious from the reading of this report that Housing is now generally accepted as a Government responsibility. That being so in communities where the providing of housing is difficult, whether it be by reason of the small incomes of the residents of the community or high building costs, then Governmental action may be necessary in respect of interest rates.

**2. Increase in Amount of Loan.** For obvious reasons the amount of the loan should be kept to a minimum, but there might well be power given to the Housing authorities, to be exercised only in exceptional circumstances, where houses might be supplied, for would-be home owners, who could not meet the normal requirements of a cash down payment. In such cases, a special control would, of course, be exercised by the Housing authorities and the sale perhaps made on a lease with Option to Purchase basis for a period of three years, during which time the borrower could establish a reasonable equity in the property.

**3. Extension of Period of Amortization.** Under The National Housing Act the loans on houses built in Winnipeg have tended to be amortized for the longer periods: 61.8 per cent have been amortized for twenty years, as against 28.3 per cent being amortized for fifteen years. It is obvious from this that people building homes want the longer amortization period in order to reduce the amount of their monthly payments.

Extension of the period of amortization from twenty years to forty years would materially reduce the monthly cost to the tenant or purchaser. This is not unreasonable when one considers the average age of existing houses in this city. Given even moderate maintenance, the useful life of a house can be forty years or more. This, of course, implies sound construction and the use of durable materials.

If a Town Planning Commission were operating in the Greater Winnipeg area with adequate power and authority, it would seek to prevent the deterioration of districts, and they would, therefore, not become obsolete with the population moving from them to other and newer developments. This would give reasonable assurance of maintenance of values

within the district. This assurance would provide a further basis for more extended terms of amortization.

## **(b) Taxes.**

**1. Real Estate Taxation in Canada.** At the time of Confederation, wealth was represented mainly by real estate, and consequently it was the chief source of taxation. Times have changed, however, and wealth has come to exist in many forms in addition to real estate, yet it is shown in the report of the Royal Commission on Dominion-Provincial Relations that approximately 80 per cent of all municipal revenue on current account (in some cases, a higher percentage) is still derived from real estate. In the case of Winnipeg, the figure in 1937 was 65 per cent, according to the Goldenberg Report. In more recent years, municipalities have had to bear new financial responsibilities in respect of hospitals, greatly expanded secondary education facilities, relief and other social and welfare services, and for motor traffic and its control. Of these expenditures, those for disease control are greatly increased per capita in areas of slum and blight. At the time when municipal taxing powers were granted none of these expenditures was contemplated. The burden of these new services has fallen upon real estate to such an extent that the result has, in recent years, lessened the tendency of Canadians to own their own homes, or to invest in real estate. This, in turn, has reduced the normal flow of new construction, resulting in accommodation not keeping pace with the demand created by expansion of the population and the deterioration of older houses to the point where they are no longer habitable. It has also tended to increase the cost of the limited accommodation which has been built.

**2. Real Estate Taxation Abroad.** It is interesting to note that in most of the democratic world, except on the North American continent, real estate taxes are applied directly to the tenant and not to the landlord, unless the property is used by the owner himself.

In New Zealand and Australia there are no taxes on improvements to real estate, but as land values increase taxes are increased. The Dominion Government in New Zealand pays over 90 per cent of the cost of education; fees and endowments provide a substantial part of the balance, leaving only 1.2 per cent for the local community to pay.

In Australia the individual States (equivalent to our Provinces) pay the entire cost of education.

In England, land values are taxed by reference to the net income which they produce after appropriate allowances for depreciation and carrying charges, if any. The capital value of real estate, therefore, is not so seriously affected in times of slump as in Canada. Land itself is not assessed, but occupants are assessed periodically on the basis of the assumed net annual occupancy value, eliminating items of service charges and depreciation. The owner as such is not taxable. In England, the state pays one-half of the cost of education.

**3. Planning and Taxes.** Poorly planned areas also tend to increase taxes on property. The standard gridiron system of planning streets in cities gives a high proportion of land occupied by streets and services. More modern methods of street planning which use culs-de-sac, loop roads, and non-through streets, particularly in residential areas, reduce this pro-



portion considerably, at the same time serving the area more efficiently. It is obvious that the larger the amount of paving, water and sewer constructed in a given area, the greater will be the cost to each resident therein, and the less will be the average size of unit plot for each resident.

As an example of the comparison of taxes borne by an individually constructed housing unit on a standard lot and a unit in a scientifically planned area we quote from "Low Cost Housing Development for the City of Winnipeg," March, 1934, as follows:—

"A five room cottage on Home Street, taken at random, costing \$4,200.00, bore taxes in the amount of \$116.00. A similar housing unit in the scheme referred to above, would have paid a total of \$61.25. This was possible because of better land utilization and by careful planning technique in the development of the scheme."

The higher charge on the individual unit is inescapable because of the levying of taxes on a per foot frontage basis. In the latter case the housing unit was not related to so many front feet on any given street, yet it bore its correct ratio of taxes levied on the whole area.

**4. Recommendations.** The general problem of real estate taxation is so interwoven with the question of municipal government, the relationship between the municipalities and their creators, the Provincial Governments, the relationships of the Provinces to the Federal Government and to each other, that, in the limited scope of this report, it is difficult to particularize. It is, however, simple to outline the broad, general principles of a policy which would correct present anomalies and injustices in real estate taxation, encourage home building and give once more to real estate its real meaning, REAL estate. The following suggestions merit consideration:—

1. That municipalities be brought back to their original purpose, which was to enable the inhabitants of each locality to secure a variety of services to their property and themselves which they could not otherwise obtain, and to do so to the mutual, physical and economic benefit of all therein.
2. That real property be assessed according to its actual value, so as to carry its fair share, no more, no less, of the cost of these services.
3. That all social services of a national character, such as unemployment relief, pensions, allowances, and similar social services should be paid out of national revenue.
4. That real estate should be relieved of a substantial part of the costs of education, for which financial support should be drawn from a broader taxing base.
5. That a statutory limitation of the levy made on real property—restricted to covering the cost of beneficial services and based on current valuations—should be established.

#### (c) Maintenance.

**1. Upkeep, Repairs, Redecoration.** High cost of upkeep is, in many instances, due to the frequency of repairs, necessitated by selection of

inferior grades of materials to avoid paying the higher prices for materials of good quality and durability. Such false economy results in high costs of upkeep.

In other instances, the jerry-builder has been responsible for unnecessarily high maintenance costs. A method of controlling this latter problem is suggested in Section "C," of Chapter 5.

**2. Supervision and Control.** Many unnecessary expenses of operation and maintenance would be eliminated by proper supervision and control of both design and construction. Such supervision and control should be the responsibility of a central housing authority.

**3. Central Housing Authority.** The organization, duties and powers of such an authority as is contemplated herein are outlined in Chapter IX of the section of the report on Housing Finance, Part V.

## CHAPTER V. RECOMMENDATIONS

### (a) Town Planning and Zoning.

We feel it is necessary to repeat here and to stress the importance of Town Planning and Zoning as a pre-requisite to any housing project, large or small. No housing scheme should be planned without the necessary co-ordination of a city master plan.

By efficient planning of the various areas of cities and the street systems within them, greater economy in the costs of municipal services can be achieved (see Chapter 4, b (3)). The capital cost and charge on the individual taxpayer will be reduced in the first instance. The municipal maintenance costs, and the taxes to provide them will also be less where intelligent planning results in less area of streets and lengths of services required.

Good planning will provide parks and play grounds and more open spaces which will aid greatly in improving the health and happiness of the people in the area, and at the same time, will reduce the burden on the municipal health department. It will correct improper land usage, stabilize land values, and reclaim slum and blighted districts. Such good town planning will remove the possibility of "floating values" and the speculative nature of the provision of land for low-cost housing, thus establishing and reducing the cost of the land. Further, town planning will tend to utilize existing services to a greater, indeed to a maximum, extent, as well as to assure the expansion of a city along pre-determined, well-regulated lines.

Taking all these points into consideration, it becomes obvious that sound economy demands the creation of a master city plan before the undertaking of any housing project, whether large or small. All subsequent arguments herein are developed on the assumption that such a master plan is developed and put into operation.

### (b) Employment of Properly Trained Technical Personnel.

Every city in Canada now suffers from a lack of sound, three-dimensional planning, and the public is paying for such lack of foresight. It is obvious that money can be saved on present projects as well as on future

developments if properly trained authorities and technicians are employed at the outset.

It, therefore, behooves us to use the best trained minds in any of our future projects. We must leave behind forever the habit of permitting untrained persons to supply the housing needs of our people. The existing ravages of obsolescence are the direct result of such supply.

#### **(c) Legal: Licensing of Contractors.**

It is suggested that consideration be given to the licensing and grading of contractors. This could be brought about by re-organization of the Canadian Construction Association, so as to provide for the examination and licensing of building technicians as contractors and sub-contractors in a manner similar to that employed by the Engineering Institute of Canada and the Royal Architectural Institute of Canada in their respective fields.

With house construction confined to builders of established technical and financial ability, it is possible that there would be a slightly increased initial cost, but the better standard of construction would extend the useful life of the house probably by as much as fifty per cent, and maintenance costs would be kept at a minimum, so that the cost per annum would be substantially reduced. In addition, the better design and better use of space which could reasonably be expected of such builders would provide more comfortable and more convenient living.

During the lean years and even during most of the good ones, price has an irresistible appeal, and quality is very often overlooked. The irresponsible contractor thrives under such conditions and the reputable builder is forced to cut corners in order to stay in business. The result is that both quality of materials and standards of construction are reduced, and, while accommodation is available at an apparently low initial price, the heavy maintenance, repair and heating costs over the years are discouraging to the purchaser and tend to bring home-owning into disfavour with the general public. How general is the expression: "When you own a house you are continually fixing, patching, or painting something; so I just pay rent and let the landlord worry about these things."

The irresponsible contractor does not, as a rule, stay very long in business. He usually ends up in bankruptcy, with large or small amounts owing to the supply houses, depending on the size of his operations. Unfortunately, as one passes out of the picture, another makes his appearance, so that, like the poor, they are always with us.

A proper system of licensing, with an insistence on the use of high quality materials and sound construction methods, would eliminate these losses, guarantee for all houses a long useful life, and dissipate the prevalent fear that buying a home involves a heavy annual expense for repairs and maintenance.

#### **(d) Revision of Building Code.**

A standard house building code is now in course of preparation at Ottawa. This is intended as a guide to Municipal authorities in the preparation or revision of their individual building codes. It is expected that all unnecessary provisions and restrictions, which merely increase the cost



without necessarily adding to the safety or usefulness of the structure, will be eliminated. The adoption of such a code should result in some measurable decrease in the cost of housing.

#### (e) Types of Housing.

Any person who can pay for his own home should be encouraged to undertake to purchase. People, however, who are on the borderline, who are not able with certainty to carry the cost of a home and all its obligations, should not be permitted to do so. This type of person should rather be given the opportunity of living in planned communities of row type, or individual houses with garden lots at a monthly rental which he can afford to pay. The difference between the actual cost of the housing occupied by him and the rental paid is to be borne by some system of State aid, the details of which will be discussed later in the report on Housing Finance.

People whose income is such that they can never hope to pay an economic rental should be housed in multi-family buildings in planned communities, which would include subsidized separate or row type houses. These separate row type housings, along with the multi-family buildings, should be erected in planned communities, so that fullest advantage could be taken in plan arrangement of buildings, park spaces, garden plots, play areas, and of the economies to be affected by central heating and domestic hot water systems, bulk purchase of cold water, care and maintenance of both buildings and park areas, management and collections.

Buildings in which subsidized families are housed should be built of the most durable of materials. These buildings should be carefully planned and so arranged that, at the completion of the amortization period, they could, if necessary, be re-planned and re-arranged internally at a minimum of cost to serve further generations. It is considered that the only part of the building which would not deteriorate to any marked degree would be the building shells, and these should be re-used.

#### (f) Rehabilitation.

Rehabilitation of existing buildings is a matter which should only be undertaken after the establishment of the Master City Plan, and then only after very careful analysis of existing conditions and trends towards future uses of that district. All buildings foreign to the primary use (Housing) should be removed. Buildings which would require a greater expenditure than could be carried by rentals accruing from same should be demolished. Only those which are found to have a sufficient number of useful years of service to the community should be retained. Rehabilitation of houses should encompass an entire district or districts, so that no incongruities be left to lower the general tone of these districts. It may be that the entire district should be acquired by the Land Corporation, so that there would be nothing to interfere with the carrying out of the rehabilitation as planned.

#### (g) Subsidization.

Subsidization undoubtedly will have to be provided for a certain group of people who, through no fault of their own, are unable to provide themselves with the common necessities of life. In their present condition this group cannot possibly pay an economic rental and are consequently forced to

live in slums. There they are exposed to all of the dangers resulting from overcrowding, squalor, etc. The cost of having these people live in slums is a great burden on the city at large, as is shown in reports from the Cities of Cleveland and Winnipeg, given later herein. It is fact not fiction that slums are the most expensive portion of a city, from the standpoint of what they cost while returning the least to city treasuries.

Subsidies for this group is then merely the spending of the same money in a different manner on the same people, but with the result that these people are provided with living amenities hitherto unknown to most of them. These subsidies should take the form of a rent reduction fund. This fund would enable any family to enjoy at least an established minimum of living amenities and would vary in amount according to the needs of each family. The method of rental reduction in detail is a matter to be worked out by the Housing Commission and the three Governments—Federal, Provincial and Municipal.

#### (h) Obsolescence.

Much has been written on the obsolescence of individual units and areas of housing. Winnipeg has many obsolete structures and blighted areas. Methods of dealing with obsolescence have been tried in other places. For instance, in Denmark in 1938, a Committee reported that, in view of the gradual deterioration of properties, the Committee recommended that their length of life be limited so that actual housing conditions might be made to correspond better to the continually rising housing standards. In this way reasonable consideration would be given to vested interests, since the owners would have a chance either to remedy the defects or to spread their losses over a sufficiently long period. It was recommended that the ultimate decisions as to length of life rest with one central building authority for the entire Kingdom of Denmark, but in no case to exceed twelve years.

The Act (passed in May, 1939) provided that a building authority may decide that a house or part of a house cannot be used for human habitation after the expiration of a definite period determined in advance by the authority. The life limit of any building so dealt with could not, in any case, be more than twelve years. The time limit was subject to an appeal to the Courts. If the building was reconditioned, as suggested by the building authority, however, condemnation might be avoided altogether. One of the results of the Act was that the owners of slum properties were prepared to sell their houses to the city at a lower price than they would otherwise have charged after they had received notice that the house could not be used for dwelling purposes at the end of a certain period. This took away many obstacles to an effective slum clearance policy.

In Australia a different scheme is followed. Rent reductions are made in such obsolete buildings, making the rents received commensurate with the accommodation provided. By this means the owner's economic interest in the continued existence of the obsolete building is considerably reduced, if not entirely eliminated. The result, therefore, was somewhat similar to the Danish Act of May, 1939. In Australia, it was found, after careful study, that the rate of return to owners of substandard houses was in many cases excessive; the net return ranging from 3.4 per cent to 51.5 per cent.

We would urge that immediate consideration be given to the obsolete housing structures of Winnipeg, with a view toward setting up a central

authority which would establish the rental and salable value of such obsolete properties by means of sliding scales. These scales would be determined by a careful study of the age, the construction, the materials, the sanitary and other equipment of these structures. As pointed out above, "the owner's economic interest in the continued existence of such buildings will be considerably reduced, if not entirely eliminated." This would pave the way toward the city's acquisition of such blighted areas as the first step to their re-development along the healthy lines of a master plan with its redistribution of uses, areas and services.

## GENERAL REMARKS

While the major elements of the housing problem must be tackled by governmental action, its complete settlement is too big to be accomplished by any one agency or policy. For this reason encouragement should be given to employers, individually or in groups, to take a greater interest in the housing of their employees. (See Part I — Industrial Housing.)

Cleveland, Ohio, carried on a survey in 1932 which, in some respects, parallels one made in Winnipeg in 1935. Studying one particularly "blighted area," which housed 2.5 per cent of Cleveland's population, it was found that, over a ten-year period, it had 21 per cent of the city's murders, 12 per cent of the city's cases of tuberculosis, 7 per cent of its juvenile delinquents, and, at present, 8 per cent of the city's relief families live in this area.

In 1932 taxes totalling \$225,000 were collected from this area. In the same year \$1,357,000 was spent on public welfare efforts therein. On top of that, charitable and social service agencies supported by the Community Chest spent \$615,000.

The Winnipeg Report, referred to above as prepared by the City Health Department, reads in part as follows:—

"The first district singled out for special investigation was bounded by the Assiniboine River, Notre Dame Avenue, the Red River and Sherbrook Street, and contained a total population of 29,479. District two, with a population of 23,246, was confined by Notre Dame Avenue, C.P.R. tracks, the Red River and Sherbrook Street, together with the remainder of Point Douglas east of Main Street and south of Burrows.

"The remainder of the city, comprising areas in the north, centre and south Winnipeg, has a population of 170,292, according to 1934 Census figures.

"One of the most startling comparisons in the report was in relation to municipal hospital costs. The expenditure in the year 1933-34 was \$825 per 1,000 population in district one, as against \$1,608 in district two, and \$593 in the rest of the city.

"Admissions to public wards were also significant, totalling 91.1 per 1,000 in district one, 101.4 in district two, and only 52.9 in the rest of Winnipeg. The cost of treatment given by the muni-



cial hospital commission was respectively \$48,657, \$74,860 and \$202,119.

"The Out-Patient Department of the General Hospital had 11.1 admissions in district one from January to March, 1935, as against 33.4 in district two and 9.1 in the rest of the city.

"Arrests of the Winnipeg Police Department last year per 1,000 gave the following results: 21.1 in district one, 52.2 in district two and 6.5 in the rest of the city. District two had a total of 1,214 arrests as against 621 in district one and 1,103 in the rest of the city.

"The infant mortality rate was highest in district one, where 58.5 out of every 1,000 in this class died in 1934, compared with 52.0 in district two, and 42.5 in the remainder of the city. The deaths from pulmonary tuberculosis were, respectively, 4.6 per 1,000 in district one, 7.9 in district two, and 2.9 in the rest of the city.

"Active social welfare cases numbered 16.1 in area one, 19.3 in two, and 6.7 in the rest of the city; while cases dealt with by the Children's Aid Society totalled 36.1 in one, 67.7 in two, and 14.8 in the rest of the city."

These two examples show very clearly the extent to which slums and blighted areas literally drain money from the city's treasury and from welfare organizations. Much of this drain is due directly to overcrowding, poor sanitation, lack of ventilation, and inadequate heating facilities. It has been shown that a well-designed housing scheme can remedy these defects without increasing the rental cost per family. At first glance this seems almost incredible.

Taking the cost in the rest of the city (Winnipeg Report) as a basis, the additional Municipal Hospital costs in districts one and two total approximately \$300,000.00 per annum. To this amount it is reasonable to add a substantial portion of the expenditures made by semi-public and private charities, so that the annual wastage is probably in the neighborhood of \$500,000.00. This is quite evidently enough to liquidate, many times over, the capital costs of slum clearance and the construction of modern, healthy, wholesome accommodations in well planned communities with all the necessary amenities available. In other words, the slums would be eliminated, and all the residents of the city properly housed at a net annual saving to the taxpayer and the public at large.

The root cause of the slum's uneconomic set-up is its inefficient use of land. A slum is a building surrounded by dirty little open spaces, all of which are too small to be of any use or to contribute any amenities, but whose aggregate area, if properly laid out in relation to the buildings, would be adequate for such purposes. This one item gives a large margin in which the modern architect can obtain impressive results.

One of the most encouraging developments of the present is the vigorous and intelligent attack which is being made on the housing problem in hundreds of cities which have for years blundered along in the belief that the slum was a necessary and unavoidable evil.

## SUMMARY AND RECOMMENDATIONS

Summarizing our views on the various points covered by this section of the report we recommend as follows:—

### 1. The establishment of:—

- (a) A Town Planning Commission (see page 39).
- (b) Central Housing Authority (see page 39).
- (c) Urban Land Corporation (see page 32).
- (d) Research Bureau at University of Manitoba (see page 32).
- (e) Committee to study standardization of sizes and patterns of building materials (see page 35).

### 2. To Reduce Housing Costs:—

- (a) Interest Rates (see page 35).
- (b) Extension of amortization period to 40 years (see page 36).
- (c) Reduction in Municipal taxes (see page 37).
- (d) Licensing of contractors (see page 40).
- (e) Revision of Building Code (see page 40).

### 3. Types of Houses:—

- (a) For those who can meet present requirements of N.H.A., only restriction would be that the houses comply with rules and regulations of the Town Planning Commission and the Central Housing Authority.
- (b) For those requiring larger loans than present 80 per cent, an extension of the N.H.A. to provide for loans up to 100 per cent. These houses also to be subject to rules and regulations of the Town Planning Commission and the Central Housing Authority.
- (c) Subsidized housing to be multi-family buildings designed and constructed and operated under the joint supervision of the Town Planning Commission and the Central Housing Authority. Amount of subsidy required to amortize capital invested and pay for service and carrying charges, to be contributed jointly by Federal, Provincial and Municipal Governments by way of rent reduction fund. The original cost should be provided by Federal Government at nominal interest rate.

### 4. Rehabilitation:—

To be in the joint hands of the Town Planning Commission and the Central Housing Authority.

5. General:—

- (a) Employers should be encouraged to take a lively and, if necessary, a financial interest in the housing of their employees.
- (b) Slums and blighted areas **MUST** be eliminated. Enough evidence is available to prove that this can be accomplished at an ultimate saving to the taxpayer and the general public.

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## PART V

# HOUSING FINANCE

## CHAPTER I

### THE STATE'S DUTY IN RESPECT OF HOUSING

Probably the most satisfactory solution for housing problems would be for the State to regulate itself so that all heads of families would have, first, a steady income, and secondly, an income sufficient to provide at least a minimum standard of housing. To learn, as we have done in the course of our studies, that in all civilized countries there is a class of people who cannot earn for themselves the wherewithal to get the minimum standard of housing is startling in this age of lavish machine production. One cannot help but speculate as to whether this is necessary or not.

It is clear that housing is not, by any means, a local problem. The studies and findings of other Committees in other Cities are helpful to us. Unfortunately, no one of them has provided us with a solution.

In dealing with the Winnipeg problem we must not forget that the last twelve years were abnormal. The Winnipeg Assessment Commissioner has told us that Winnipeg rents for many years have been below cost for the landlord because the income of the people was not sufficient to permit them to pay the economic rent. The following is a quotation from the Winnipeg Housing Commission's report on the 1936 operations:—

"While the cost of constructing new houses in Winnipeg is so much higher than what old houses can be purchased for, there does not appear to be much possibility at present of being able to sell new houses at sufficient to cover costs, particularly when it is considered that the general level of rents is such as to make it impossible to build houses for rent."

We have, in effect, therefore, had a housing subsidy in Winnipeg for some years. Subsidy, however, instead of being provided by the State, as is generally the case, when we speak of housing subsidies, has been here provided by the owners of real estate. The Sirois Commission, at page 168, Vol. 1, says:—

"The burden of relief in Manitoba is more severe than in any other Province except Saskatchewan. . . . The economic support of nearly forty per cent of Manitoba's population, virtually collapsed."

But it will be the case here in normal times, as it is in other large Canadian cities, and in other countries, that a class exists who cannot afford

themselves a minimum standard of housing, and we take it that this class of people in particular is intended as the chief concern of this Committee. appointed as we are by the Council of Social Agencies. We quote from the following reports:—

**Dr. Bruce's Report, Toronto, pages 56 and 64:**

"As regards the actual incomes received by those who occupy the poorer houses of Toronto, we have evidence from two sources. The first is the enquiries of our own investigators and regular social workers. The general impression received from these sources is that, under present conditions, there are relatively few of the family groups under consideration whose incomes are sufficient to pay rentals of more than \$10.00 or \$12.00 per month. Even in the so-called "good times" prior to 1930, it is doubtful whether the families of this economic grade could have paid much more than this, such is the irregularity of their employment and the uncertainty of the wage rates."

"The second source of information regarding incomes is the various figures which are publicly available. It is not easy to make even a rough statistical estimate of the average wage and rent paying ability of the class of persons to be considered. Representative of this class we may choose male labourers and unskilled workers (excluding those engaged in agriculture, mining and logging); and we may assume that the wage earning heads of families are probably to be found in the age group from 25 years to 54 years. According to the census of June, 1931, there was 16,502 of that class in Toronto at that time. They earned in aggregate, during the preceding twelve months, \$10,112,200; an average wage of \$613. It is usual to assume that wage earners can afford one-fifth of their income for rent. If this proportion is applied to the average earnings of \$613.00, it suggests that for the class of workers and the period we are now considering, ten dollars a month would be the reasonable rental."

**Page 64.** "Bad housing conditions are brought about by many contributing factors; but the most important of these may be described as the inability of the lowest wage earners to pay rents sufficiently high to obtain adequate housing accommodation. Many workers, because of prolonged unemployment, are at present, unable to pay any rentals and have become an inescapable charge on the community. While unemployment has been particularly severe during the past few years, it must, nevertheless, be recognized that this is only an aggravation of a situation which must be considered normal. The ability of the lowest paid wage earners to pay rents always depends in part upon the generosity of existing relief measures. Adequate housing cannot be provided at sufficiently low rentals because of the high cost of housing. This high cost has been due to the speculative element in the determination of land values, the wasteful methods employed in building, the inability of speculative builders to secure credit facilities at low rates, and the excessive burden of taxation. Some method must be found of decreasing the

discrepancy between the cost of new housing and the amount the worker is able to pay."

**Board of Trade Report, Montreal, pages 13 and 39:**

"The problem is to secure an adequate supply of housing accommodation at low rentals. But this again is the essence of the Housing Problem. There is a point at which private enterprise working on ordinary commercial lines cannot provide for certain groups of the community. The figures above suggest clearly that the unskilled and lowest paid wage earners, and at least some proportion of the intermediate and skilled workers, are within these groups — something like 160,000 wage earners, or 70,000 households, in the area in which this report has reference."

**Page 39.** "In Britain much of the housing for the lower income groups is being supplied by private and municipal corporate bodies, assisted by low interest Government loans. These bodies are restricted as to the rents they may charge and the profits they may make. Unfortunately the same plan could not be made applicable in Canada for housing to accommodate our lower income groups, because the high capital cost of our dwellings in relation to the low rent such tenants can pay, extinguishes, for the present, the possibility of profit for private enterprise, even if generously assisted by low interest Government loans."

**Council of Social Agencies Report, Montreal, pages 6 and 7.**

"The answer to this question is briefly that, if private enterprise could fill the need, it would have done so, and the reason why it has failed is not far to seek. To build a dwelling, whether a house, flat or apartment, conforming to the standards laid down and conforming to municipal building regulations, would cost, on the average, at least \$3,000 and probably \$3,500. Such a dwelling, in order to provide the private enterprise a profit would have to yield an annual rental of \$300.00 or \$360.00 a year (\$25.00 to \$30.00 monthly). This rental is naturally too high for many wage earners. The average annual income of male wage earners in Montreal in the age group 25 to 49 years, according to the Dominion Bureau of Statistics, was in 1934, \$1,235.00. This is an average but not necessarily the most typical figure. Some people get a great deal more than this and others a great deal less. There were some 24,701 labourers in Montreal in this age group earning an average annual income of only \$571. Obviously, with wages of this order it is unreasonable to expect rentals of \$300 a year. Socially it is difficult to justify any expenditure for rental from such a meagre income, since for a family of five the annual food bill should be in the neighbourhood of \$400, and certainly such a group should not be called upon to pay more than \$180 a year rental. The figure of \$571, the average income of labourers in 1931, applies to the age group which normally has family responsibilities, but it is possible that it does not represent the true average income of families in that group since the wife or children might be earning."

In respect of Winnipeg, the Census (1936) figures show that 8,400



heads of families earn less than \$450.00 yearly and that 7,000 heads of families, who do a little better, do not exceed \$950.00 per annum, which is less than \$80.00 per month. This means that the amount they can afford for rent is at most \$16.00 per month, and where can it be obtained in Winnipeg and be, what all of you would agree, is a minimum standard?

## CHAPTER II

### WHAT GOVERNMENT HAS THE DUTY TO PROVIDE HOUSING?

Granted that there must be State assistance to housing, then what branch of the State has the duty to provide it? In England, Sweden and Germany the Central Government made housing their responsibility and provided to municipal bodies, where they were brought in, the financial assistance required.

The situation in Canada is complicated by our Constitution, where the Central Government of other countries becomes here, two Governments, the Dominion and the Province, the Municipal Government being a subsidiary of the Province. Argument as to who should pay the bill, is certainly not unknown. Too much in past years each of these three governments has looked upon the Canadian citizen as its honoured citizen for the purposes of raising revenue, but one of the other governments' responsibility when the need arises for some expenditure for his welfare, particularly when the expenditure was a new and abnormal one, upon which there was no guiding practice in the past.

The Sirois Commission grappled with the question of responsibility for social services in Book 2, page 15, where they say:

"The British North America Act does not impose any obligations to provide welfare services either upon the Provinces or upon the Dominion, but merely divides the field of legislative power. . . . The Act is far from clear in the matter of jurisdiction over social welfare, and judicial interpretation has failed to remove obscurity. In the main it has been assumed that social welfare functions fall to the Province by implication . . . but in general provincial jurisdiction over social welfare and hence responsibility for policy and finance has been deemed a basic feature of the Act and any Dominion jurisdiction merely an exception to the general rule of Provincial responsibility."

In the same way the responsibility for many social services, including housing, has never been legally fixed as between Provinces and Municipalities. So far as legalities are concerned, therefore, each one of the three Governments is legally entitled to say, "Am I my brother's keeper," and pass by on the other side.

Although, therefore, a legal obligation rests on no one of the three governments, all three in Canada from time to time have indicated a stirring of conscience and the recognition of a moral obligation in respect of housing, e.g., on the part of the Dominion — The National Housing Act; and on the part of the Provinces, Nova Scotia, Ontario and some of the other Provinces in a minor degree have taken steps to alleviate housing condi-

tions. In the Municipal field, our own City of Winnipeg assisted in the financing and building of over seven hundred houses after the last War. Other Municipalities have also entered into housing schemes (and a great many of them, we understand, at a loss), and there have been many Committees and Commissions appointed throughout Canada which have indicated the awakening of a Civic conscience.

Other commissions, before ours, have had the question of what government should finance housing before them. They have not dealt with this very conclusively:—

- (1) Dr. Bruce's Commission finds that it is a community responsibility —pages 93 and 117. It concludes, however, that the City of Toronto should immediately initiate a housing scheme and seek Provincial and Federal financial assistance.
- (2) The Committee appointed by the Board of Trade of Montreal unhesitatingly recommended financial aid be derived from Federal sources. Page 42. The Council of the Board of Trade recommend the report "without, however, specifically approving of the implied recommendations of the report as to financing."
- (3) The Council of Social Agencies Committee, Montreal, page 8, says: "The report of the Board of Trade recommends the method of State subsidy as the only practical solution and the Committee is inclined to agree that, for the housing of people, in so-called interior and middle areas, there are no alternative methods to suggest." Although somewhat vague on the point, they seem to indicate that they are not in favor of subsidy being borne by the local authorities and certainly not in toto.
- (4) The Housing Committee of Halifax, 1932, says: "After a careful consideration of all alternative proposals, the Committee finds itself compelled to agree with Mr. Pink, that Governments must do the job as it is doing it in Europe, or it must encourage and assist private capital to do this public service at a fair return." Their recommendation finally boiled down, at page 28, to the following:
  - "(a) That a provincial housing law be passed, setting up a Board of Housing, the members of which shall serve without salary and whose duty shall be to study housing needs throughout the Province, to recommend legislation in relation to housing, and to co-operate with local boards and associations in the promotion of low-cost housing at monthly rentals which wage earners can afford to pay.
  - (b) That under specified conditions of need the Board of Housing shall permit the development of limited dividend companies, incorporated under the Act, for the construction of dwellings to be let at such prescribed rentals as may not be available through the ordinary channels of private enterprise. All limited dividend companies so created shall receive such powers, protections and advantages as will encourage public and private investment therein.

- (c) That, upon the passage of the aforesaid housing law, the City of Halifax pass a tax-exemption ordinance remitting taxes on buildings constructed under the housing law for a period of twenty years."

### CHAPTER III

#### WHICH GOVERNMENT IS ABLE TO ASSIST?

Perhaps, the problem of who should provide the financial aid will be made easier for us by first considering the question of which of the three Governments has any financial freedom of action left. The Sirois Commission, Vol. 1, page 168, says as follows:

"By 1932 the credit of the Province (Manitoba) and the municipalities was exhausted."

It is still true that a free money market would not absorb substantial issues of either this Province or the City at any reasonable interest rate. We, therefore, arrive by necessity at the conclusion that, if the housing problem is to be adequately attacked, the Dominion must provide the financial aid. Whether this is done directly or through the Province and the Municipality is a question to be considered. The suggestion of the Sirois Commission, Volume 2, page 44, for the additional social services which the Commission foresaw in the future was that "the Provinces might be assisted by Dominion grants in aid (apportioned in accordance with provincial needs) for particular provincial services, or every province might be put in a fiscal position to determine its own policy and to finance its own services in accordance with its own peculiar needs. It is assumed that in either case the provinces would pass on some of the benefits to the municipalities."

The Commission concludes that the second method is highly preferable. Our thought is that the active sympathy and interest of all three governmental bodies will be highly beneficial, if not essential, for the proper solution of the housing problem, and that, therefore, although the Dominion should probably contribute very handsomely financially, in providing housing monies, nevertheless they should also make it possible for the provinces and the municipalities to make some contribution to the effort. It is probable also that "where their treasure is, there will their heart be also" (and, it may be added — their business judgment).

### CHAPTER IV

#### WHAT FINANCING IS NEEDED?

What types of financing are necessary for a complete housing set-up?

**Type "A."** There must be money provided to help those would-be home owners in the community who have not sufficient savings with which to buy a house outright, but who can, out of their income, provide sufficient to repay principal and interest by instalments. It is to be noted that the lower the income of people



in this group the greater reluctance there is on the part of private lending institutions to loan. It is now the practice of lenders to make enquiries as to the earnings and the necessary family spending of the prospective borrower in order to make up their own minds whether he is able to pay for a house or not. The less margin there is between the two, the less desire to make the loan, and the private institutions insist on quite a safe margin, otherwise they refuse to do business.

**Type "B."** Eventually an income is reached below which no person is able to pay for his own housing, if he is to be supplied with what is recognized as the minimum standard. The line between class "A" and class "B" can be substantially lowered, perhaps by various devices, including mass building, but nevertheless it is apparent that in all countries and all large cities, there is a group which cannot afford the minimum standard. To house these people properly, therefore, State aid of some character is necessary. Naturally, housing this type of citizen is not going to be financed voluntarily by private capital, although, as we have seen, it has been doing it in Winnipeg involuntarily. This type of housing will have to be built by public money, or else private money will have to be subsidized by the State in order to interest the private investor.

**Type "C."** The third type of financing required will be for slum clearance or rehabilitation of old existing houses.

## CHAPTER V

### WHAT FACILITIES HAVE WE IN WINNIPEG FOR MEETING "A" TYPE FINANCIAL NEED OF HOUSING?

Until recent years "A" type of financing, above referred to, was well enough looked after by private capital. With the rapid loss of income which struck people in this City and all the Western Provinces during the last ten years, linked with Debt Adjustment Acts or Government interference and the possibility of both in the future, private capital is now unquestionably much more cautious about investing money in housing. The Loan Companies lost heavily on housing loans, or, in any event, thought they were going to, consequently "Once bitten, twice shy." This was recognized by the Dominion Government who passed the Dominion Housing Act in 1935, for the purpose of giving the private lending institutions a stimulus and inducing them to re-enter that investment field. The original scheme provided for joint loans by recognized lending institutions and the Dominion of Canada up to eighty per cent of value of the property including the land, of this amount, twenty per cent to be advanced by the Government; the balance of twenty per cent to be financed by the borrower. The borrower, of course, would deal with a recognized lending institution, and in case of the borrower's default, if, at the time default occurred there was outstanding more than sixty per cent, then the loss was to be borne, two-thirds by the Government and one-third by the lending institution. If less

than sixty per cent, the Government only assumed one-third of the loss and the lending institution two-thirds. Under this scheme monies must be loaned at not more than five per cent per annum.

It was found, however, that, although the scheme was successful in many cases throughout Canada, it was largely in connection with the more expensive types of homes and it did not provide housing for low paid workers. A new scheme was devised by which loans upon low cost houses would be even more attractive. For houses having a value of \$3,000.00 or less, including the land, the lending institutions advanced sixty per cent and the Government twenty per cent at three per cent, still leaving twenty per cent to be advanced by the owner of the property, but in those cases the Government agreed to assume eighty per cent of the loss in case the borrower fell down. Under this scheme the borrower paid five per cent interest to the lending institutions, which left the return to the lending institution of 5.66 per cent.

Private capital will probably look after the more valuable houses, but the assistance of the National Housing Act, as it is now called, or some similar help is still essential in the lower part of type "A" house financing above referred to. It is to be noted that the largest loan available under the Act is now \$4,000.00, so that, with the owner contributing 20 per cent, the most valuable house that could be built under the scheme would cost \$5,000.00.

The loaning under this scheme has become quite substantial. In the commencement the scheme was much more widely used in the surrounding municipalities than in the City itself, but later substantial building was done in Winnipeg under this scheme. A new Act, known as the National Housing Act, was passed in 1938. The same system of loaning was continued as hereinbefore referred to, and in this Act it was specifically provided that in small homes, when the loaning value was not more than \$2,500.00, the Government and the lending institution together might put up ninety per cent of the value, leaving only ten per cent to be financed by the owner. The rates of interest are as follows: 1935, 80 per cent loan, charge to borrower 5 per cent; Government monies loaned at 3 per cent. 1935, 80 per cent loan on cheap house, charge to borrower 5 per cent; charge by Government 3 per cent. 1938 Act, 80 per cent loan, charge to borrower 5 per cent; charge by Government 3 per cent. Ninety per cent loan, charge to borrower 5 per cent. Charge by Government 3 per cent. The success of the 90 per cent loan has been outstanding, we are told, in all areas where building costs enable houses to be built complete for \$2,500.00 or less.

We believe an earnest endeavor has been made by the administration of the N.H.A. to extend the benefits of the "A" type financing as widely as possible and that conscientious attempts are being made from time to time to make that type of financing available to more and more of the lower income groups.

When this Act is read over, it is apparent that some person has been through the study of housing, has seen the same difficulties that we have in our city, and has made an effort to find solutions which will effectively deal with the problem.

## CHAPTER VI

### "B" TYPE FINANCING

What facilities exist in the community for meeting the housing finance problems in connection with class "B" of Section 12? State aid for this type of housing may be given three ways:—

- (1) The State may build the houses and operate them at a loss.
- (2) The State may give a subsidy either to the municipality or to private capital.
- (3) The State may make its subsidy or contribution to the enterprise by making a substantial loan toward the capital cost at an extremely low rate of interest.

In Winnipeg or Canada there had never been any method of financing this type of housing until The National Housing Act, 1938, was passed, and it is the only method of financing, as far as we know, that ever did exist in Canada for this class of housing. The section of the Act covering such financing has been suspended for the duration of the war, after which we hope it will be reinstated. Briefly it provides for loaning by the Dominion Government to corporations up to 90 per cent of the cost of the construction at an interest rate of 2 per cent per annum, payable half yearly, the borrower will also pay 2 per cent of the principal semi-annually. These loans are made only to corporations which are going to rent the premises to people at less than the economic rental fixed by the Act at  $9\frac{1}{2}$  per cent of the cost of construction, plus the annual taxes. Limited dividend corporations may participate. Their interest rate is  $1\frac{3}{4}$  per cent per annum and the amortized payment 2 per cent per annum.

There are, of course, conditions attached to the loan. The municipality must agree not to charge more than 1 per cent of the cost of construction as the annual tax and that no income tax shall be levied on the earnings. The Province either guarantees the payment to the Dominion Government, or in the case of a limited dividend company, the municipality must agree to forego its taxes until the Dominion has been paid. Other conditions of the contract between the Dominion and the housing authorities are that no family, whose total family income is equal to, or more than five times the economic rental of any housing unit, can occupy this unit, unless no other tenant of a lesser income is available. The rent charged the family will not be more than one-fifth of the family's estimated total income.

The City of Winnipeg has organized a Limited Dividend Housing Corporation to operate under this part of the Act. \$150,000.00 has been subscribed and 10 per cent is paid up. The Corporation has not operated because one of the restrictions in the Act is that no housing unit constructed shall have a greater construction cost than \$2,666.00. We understand the company argues that it cannot build a unit for \$2,666.00 or less. They could not, therefore, come within the Act. It would seem that, in the main, this is a well conceived idea. If the municipalities, the Province and the Dominion would co-operate in this type of construction and finance, this part of the Act should be very helpful. (It is doubtful, whether housing units cannot be built for \$2,666.00. The Report of the Council of Social Agencies of Montreal sets out various types of houses, which they say can



be constructed at \$1,450.00 to \$2,000.00. Possibly with mass production and factory building, builders could get below \$2,666.00 in Winnipeg.)

## CHAPTER VII

### "C" TYPE FINANCING

The only monies that have been made available in Winnipeg for the "C" type of housing work, that is, slum clearance and rehabilitation, was under The Home Improvement Loans Guarantee Act, 1937. Loans are not now available under it. We doubt if the Act was intended to be used in this field at all. It is possible that the banks who made these loans and had a substantial stake in them would have sheered away from any suggestion of a slum district when the loan was applied for.

We are inclined to think that the financing of this type of housing is totally inadequate in Winnipeg, even if that Act were in force. The limit of any loan is \$2,000.00, or, in the case of a multiple family dwelling, it is \$1,000.00, for each unit plus \$1,000.00. We think that if all three governments got together that something more efficient could be evolved. The City of Toronto has a By-Law which provides that if premises are unfit for habitation the owner may be ordered to improve them, otherwise they will be closed, and the city may even go further and demolish the premises without compensation. On the other hand, if the owner is not financially able to make the improvements, the city may advance monies up to a certain amount for the purpose of improvements, such monies being a first charge on the premises in the same way as taxes. To turn an existing slum into a proper and respectable housing unit, would justify extremely cheap money, even more so than low rental housing propositions of the "B" class. The interest rate under the Home Improvement Act is 6.32 per cent. The loan must be repaid in three years, or at most five years.

## CHAPTER VIII

### SET-UP FOR HOUSING ADMINISTRATION

In reviewing the Housing Acts of 1935 and 1938, it would appear that there have been in existence, and will be again after the War, no doubt, sundry schemes designed to cope with a condition which we deplore and which this Committee is expected to improve in some way. Why have they not worked? Why do the conditions still exist? The answer is: "No physician can heal unless the patient actually uses the remedies which he recommends." We think in a large degree the public, or the community, have not been taking the medicine available. Why? We think the answer in the first place is that the public is not aware of what has been attempted as a remedy. The conditions can only be cured by an awakened, an informed, an aroused, and an active public opinion. We think all three governments, Dominion, Provincial and Municipal, and, in addition, the public individually, must be sympathetic and willing to help. The Halifax Housing Commission, which reported in 1932, recommended a Provincial Board of Housing. The Bruce Commission in 1934 recommended a Provincial Housing Commission and also a National Housing Commission to co-

operate. The Montreal Board of Trade report in 1935 recommended a National Housing Scheme, but recommended that it should deal directly with the municipality. On the other hand, they point out that the co-operation and assistance of the Province would be required on many occasions. To get the Province's most efficient help we think that it will need to be awakened and informed and aroused and active also. We should, therefore, have a Provincial Housing Department. We have none presently in Manitoba, but Mr. Bracken in the House indicated that the Province was interested in housing as an after-the-war measure. All parties agree that there should be a municipal or local Housing Board. We have a Winnipeg Housing Commission, which a quarter of a century ago operated very efficiently. It has been inactive for many years. There is in the city a sporadic interest taken in housing. Committees are appointed and so on, but there is no permanent housing body which is consistently working towards some recognized end.

It would appear that there should be the following governmental bodies:—

- (a) A National Housing Board. (We think it may be taken that this is now in existence, although it is run as a sub-Department of the Department of Finance.)
- (b) A Provincial Housing Commission or Department, not for Winnipeg alone, but for the whole Province, and to include not only other cities and villages but also rural districts. There are many farm homes which have not the minimum standards of housing, and probably 90 per cent of farm women get along without modern plumbing and hot and cold running water, which should be available at very moderate cost in any modern State. In addition, the problem of farm labour will have to be reviewed. Up to the present a "hired man" has been a celibate pariah on many farms, housed in any old room, or in a granary during the busy season, and then shipped back to the city when the rush season is over. Will not the time come when a farm labourer can have a family, have his own home on the farm, with his bit of garden and his hens and so on? However, what we will require in Winnipeg is active Provincial sympathy for our local problem, but no more and no less, than all other parts of the Province.
- (c) Finally, there must be in the municipality or city a Housing Commission which will, with the assistance of the other two Governments, deal with the specialized local problem. It cannot be a purely municipal body to get the best results, as the active co-operation of the other two bodies is necessary, and to get that we think they should be represented on the Board or Commission.

## CHAPTER IX

### THE CITY OR MUNICIPAL HOUSING COMMISSION

What sort of a Commission should it be? Fortunately, Winnipeg has had ample experience in the successful operation of projects which required

the co-operation of several different governments, for instance, the Greater Winnipeg Water District and the Greater Winnipeg Sanitary District. It also has many examples of successful administration of Civic responsibilities by Boards composed of Civic representatives and citizen representatives, such as the Parks Board, the Auditorium, and the Police Commission.

Perhaps the nearest illustration of what we have in mind is the Greater Winnipeg Sanitary District, which was built jointly by the Dominion, the Province and sundry municipalities. The Statute created a management Board, consisting of one representative of the Dominion Government, appointed by a Minister of the Crown, a representative of the Provincial Government, appointed by the Minister of Health, and representatives of the various municipalities. It was provided that the representative of the Province and the Dominion should have no voting power but that was by their own will.

We would suggest that the Winnipeg Housing Commission might consist of eight members, a representative of the Provincial Government, a representative of the Dominion Government, three members of Council, one of whom shall be Chairman of the Finance Committee, and three citizen members chosen for their special knowledge and interest in housing, the citizen members to be appointed annually. As regards the voting powers of the two Government representatives, this would be a matter to be decided by discussion. We would think they should certainly have a vote, unless they decline it, and perhaps it might be provided that the two governmental representatives should, if acting together, have the power to veto any decision of the remaining members of the Commission.

Broadly stated it would be the duty of this Commission to improve or eliminate existing bad housing and to encourage new housing development. It would engage in research in housing, make surveys and study housing problems and trends here and elsewhere for application here. The Commission would be educators and evangelists. They should have control of housing trends in the City of Winnipeg; they should license or refuse to license, as they saw fit, all rooming houses. They should act as consultants with a Town Planning or Zoning Commission in respect of Zoning and building restrictions; they should act as advisors to individual members of the public (through their staff, of course), and also advisors to builders, Building Societies, Limited Dividend Companies and anybody in any way interested in housing, in fact it should be the local authority on all problems connected with housing to whom the whole community may take its troubles.

Before a Housing Scheme is started, the Town Planning and Zoning Commission will, of course, fix the character of the district and the type of building that will be allowed. It should also be provided that if the Housing Commission starts a scheme in any district the Town Planning and Zoning Commission will not thereafter make any change in the type of building permitted in that district, without the consent of the Housing Commission.

An Administrative Department, under skilled and competent permanent officials and staff, would have to be set up. Since the head of this Department will be entering a new field, he should be a man of outstanding capacity.

Without attempting to enumerate all of the duties or spheres of use-



fulness of this Commission, we suggest the following operations re the three types of housing financing before mentioned:

- (a) In the "A" class, that is people who simply need financial credit and can pay their own way, the Commission would encourage the individual to get a home, assist him in planning and give him advice on locality, zones and so on. When we say the Commission in this case, we, of course, mean that they will do it through their staff. They will interest loan companies and private capital generally. In particular, they will encourage all efforts to lower the cost of building and to make it possible for more and more people to be classed in the self sufficient economic group of house owners. They will encourage co-operative building, such as practiced under the Nova Scotia Scheme; they will interest employers in the problem of housing their help and so on and so on. Naturally they will help the Federal and Provincial authorities as much as possible.
- (b) In connection with low rental housing, under Part 2 of The National Housing Act, 1938, they will encourage Limited Dividend Companies and, if it is impossible to get enough housing for this class otherwise, will themselves construct and manage projects.
- (c) One of the biggest tasks that lies to hand is the improvement or elimination of existing bad housing. The Commission should survey the blighted districts and start immediately — doing each year a specified area. After the survey everything in that district which can be classed as "bad housing" should be either improved or, if this cannot be done economically, then it should be demolished. The staff should study each building and decide what is the most economic way to treat that building. If it can be repaired, or duplexed, or triplexed, or rehabilitated, so as to become housing again by any method, the result of their studies should be available to the owner, although, of course, it would primarily be the duty of the owner to present or bring forward a satisfactory scheme of improvement which can be passed on by the Commission. The houses should be closed and, if necessary, demolished if no improvement is made or is possible. There should be no compensation for a demolished house. If the scheme of rehabilitation is economically sound the Commission should provide the owner with a loan for that purpose. The advance would be a first charge upon the property in the same way as taxes, taking priority over all existing mortgages and charges. Up to the present time no satisfactory method of financing improvements such as this exists, although the Home Improvement Plan came nearest to it. Under that scheme the money was too expensive and the amortization period much too short. The Commission should study and, with the co-operation of all three governments, try and evolve a system of financing designed for this particular need. We think some modifications to the Home Improvement Plan would meet the situation. It would probably be found advantageous to the community if monies were available with which artisans and tradesmen, or even men who wanted to make a business of it, could buy old houses from estates, or others who did not care to venture into the

speculative scheme of rehabilitating houses. The Commission would have to be satisfied, of course, that each individual house in relation to the man who intended to purchase, that is his income, his financial worth, his ability to fix the place up himself, and so on, made the enterprise economically sound. To assist a member of the public to build a new and desirable housing unit is recognized as a proper and praiseworthy function of the Commission. Would it not be even better to encourage a member of the public to eliminate a bad housing unit at the same time as he makes a new and fit and proper housing unit by repairing or remodeling the old building. Money should be available at as cheap or even cheaper price for this purpose than for the low rental project.

Perhaps the most useful work of the Commission, however, would be the preventive work, that is to see that no housing was so treated in the future that it might become a slum. Houses grow old, like people, but the Commission would see that they grow old gracefully. Uses may change, but if housing is properly controlled they should never house people below minimum standards. The Commission should have full authority over housing and the use thereof, including the licensing of rooming houses. They should probably, in co-operation with the Health Committee or the Building Inspectors, have a system of inspection and report. They should warn owners of dangerous practices, such as letting their premises become run down in this or that way. The Commission should be given full and ample power by a legal enactment either of the Dominion, the Province or the City, so that their control may be effective, although we think their main task should be to guide the public by helpful advice and persuasion. Owners, as well as tenants, should be made subject to penalty for infractions of the housing restrictions.

## CHAPTER X

### WHERE WILL THE MONEY COME FROM?

- (a) This Commission should not require any money for the financing of "A" type financing before referred to. Private loan institutions and the National Housing Act, Part One, will look after this group.
- (b) The financing of low rental, or "B" type housing, will probably be the responsibility of this Housing Commission in the main. We think it should be financed under Part Two of the Housing Act, which provides for the Dominion advancing 90 per cent at an interest rate of 2 per cent per annum. The balance should be borne one-half by the Provincial Government and one-half by the Municipality. They could contribute to each project as it came along, or they could put the Commission in funds for capital expenditure by contributing say \$100,000.00 apiece. This, with the 90 per cent available on suitable projects from the Dominion, would make a fund of two million dollars.

- (c) The "C" type of housing should be financed in a similar way. We would suggest that the Dominion Government provide 90 per cent at an interest rate of 2 per cent, the other two governments providing 5 per cent each, upon which they also would receive 2 per cent from the borrower.

If there are operating losses on the total operations of the Commission, the three governments should agree on what basis they will be borne. In view of the fact that the Dominion Government is loaning 90 per cent at less than the money costs them, it would, perhaps, not be unreasonable to expect that the other two governments should bear the operating loss between them. It will be essential, however, for the parties to bear in mind that the Provincial and the City Government must be placed in a position that their necessary social services may be financed. Sirois Report (Vol. 2), page 44. We think all three Governments will agree that housing is now recognized by every civilized government as a necessary social service. So far as accomplishing the result is concerned, it would be more efficient, we believe, to aid the municipality and the Provinces than for the Dominion to attempt the task itself and make no effort to enlist the sympathy and co-operation of the two other governments. It is better, therefore, as suggested by the Sirois Report for the Dominion Government to see that the Province and the municipality are placed in a position so that they may assume their share of the housing problem.

The cost of administration of the local or City Housing Commission is something which might well be discussed by the three Governments and the Commission. In view of the benefit to the City in getting rid of bad housing it is fair, and we think wise, that it should assume all the cost of administration.

## CHAPTER XI

### COMMENTS ON THE NATIONAL HOUSING ACT, 1938

It is to be noted that there is a growing realization throughout the world that the provision of proper housing is a social service and that Housing Commissions should be considered as Public Utilities Commissions. The housing which gives rise to much the greatest public expenditure for health and social service, and the living conditions which we all deplore, is to be found in the "B" and "C" types above referred to, but, nevertheless, those are the two classes for which no housing assistance is available in Canada.

It is apparent, from the reading of The National Housing Act, 1938, that whoever was responsible for its drafting was well aware of the fundamental housing problems and has attempted to make provision for the "A" and "B" types above referred to. "C" type is unprovided for and, so far as we know, there never has been any adequate provision to look after the "C" type, above referred to, unless it be the By-Law of the City of Toronto for the rehabilitation of houses, and of this we are doubtful. Loans under The National Housing Act have been confined to "A" type, and no housing of the "B" type was ever undertaken under the provisions of that Act, and none will be until the end of the War, unless the policy is changed. Therefore the only actual housing aid given in Canada (in any



event available all over Canada) was for the "A" type of housing above referred to, representing assistance to that class of the community which least needs it, and where housing conditions are least to be criticized. On the other hand a large proportion of the population, which may be called the inarticulate masses, belongs in the "B" and "C" types of housing.

Undoubtedly, the National Housing Act and the efforts of the Dominion Government have been of great usefulness in the housing field, and we do not under-rate their achievements. It is obvious, however, that conditions are not perfect and we, therefore, take the liberty of making some suggestions which we hope may be considered as helpful and constructive criticism.

The Dominion Government has, as yet, accomplished nothing in the field of the "B" and "C" type of housing above referred to, where help and improvement is most necessary.

The Federal administration is probably too distant from the individual problem. There must in each community be some bond of connection with the Federal authorities. In other words, the housing administration should have its roots in each community. There must be somebody there interested, informed and active. The Dominion Government should enlist the local community sympathy and avail itself of all possible local help. If each community could be made to feel that it was part of the Federal Housing System, so much the better.

It is not known what has been done under Clause 3 of the Act, by which the Minister is empowered to make investigations, plans and studies of housing problems. It may be that Departmental energies in the Housing Branch have turned themselves into the creation of what might be considered a well run prosperous Loan Company.

The National Housing Administration may possibly have become too detached. Instead of being a salesman or even an evangelist for good housing, it may depend upon the sporadic interest of various communities to bring schemes to it, which will be critically scrutinized by the aforesaid prosperous Loan Company. As an instance, it has been intimated to us that the cost of building in Winnipeg is out of line and that it may even be due to combines which affect lumber, cement and heating installations. If such a situation exists, the Department, if it is carrying out the duties given it by Section 3 of The National Housing Act, should be making investigations and considering feasible means of securing economies under Sub-section (c). This might mean, amongst other things, the employment of other Federal Departments in order to investigate and break up any existing combinations in restraint of trade. To look after the local conditions of this kind in all parts of Canada is a colossal task, and we are more firmly led to the belief that to get a proper efficient system working all over Canada, the Provinces and the municipalities should, if possible, be persuaded to become partners in the housing enterprises.

Finally, we are of the opinion that, even at some cost to the war effort, the Housing Organization of the Dominion Government should be kept alive and functioning, ready for an after-the-war expansion. We are also of the opinion that, since nothing was done prior to the war under Part 2 of the Act, which provides for low cost housing, some experimental work should be carried on under this Branch during the war, so that in-

formation may be available which will guide the housing authorities in their after the war programme. The information obtained from some experimental work in this Branch might result in a very great saving of money, time and effort hereafter.

## SUMMARY AND RECOMMENDATIONS

### CHAPTER I.

It is now generally accepted that it is the duty of the State to provide a minimum standard of housing for its citizens, even for those who do not earn sufficient to be able to pay for such a minimum standard.

### CHAPTER II.

There is no legal obligation in Canada for any one of the three Governments—Federal, Provincial or Municipal—to supply housing, but all three have done so to a certain extent. Other Commissions have not arrived at unanimous opinions as to which of the three Governments should assume the responsibility.

### CHAPTER III.

The finding of the Sirois Commission indicates that, neither the Province nor the Municipalities are capable of carrying any further social burden without financial assistance from the Dominion.

### CHAPTER IV.

There are three types of financing required:

**"A" Type:** Money must be provided for those who can be self-sufficient, if given credit.

**"B" Type:** There must be capital provided for the erection of housing for those who cannot themselves afford to pay for the minimum standard of housing, which means that some type of subsidized housing must be provided.

**"C" Type:** There must be financing for slum clearance and the rehabilitation of obsolescent building.

### CHAPTER V.

Private lending institutions and the National Housing Act will provide for the "A" type plan.

### CHAPTER VI.

Part 2 of the National Housing Act was intended to provide financing for the "B" type of housing, but operation of this Section of the Act has been suspended until after the War.

### CHAPTER VII.

There never has been any definite financing available in Winnipeg for the "C" type of financing, although the Home Improvement Act perhaps came nearest to it.

## CHAPTER VIII.

For a proper solution of the housing difficulties all three Governments should co-operate. There should be:

- (a) A Federal Housing Board or Department.
- (b) A Provincial Housing Commission or Department.
- (c) A Municipal Housing Commission (in the big cities).

## CHAPTER IX.

A City or Municipal Housing Commission should consist of eight members, a representative of the Provincial Government and a representative of the Dominion Government, three members of Council, one of whom shall be the Chairman of Finance, and three citizens members, chosen for their special knowledge and interest in housing. The duties of this City Housing Commission in respect of all types of finance "A," "B" and "C" are discussed.

## CHAPTER X.

Where will the money come from?

"A" type of housing should be able to get its required capital from private lending institutions and under the National Housing Act, Part 1.

"B" type of subsidized housing should be financed under Part 2 of The National Housing Act, which provides for the Dominion advancing 90 per cent at an interest rate of 2 per cent per annum, the balance to be borne one-half by the Provincial Government and one-half by the Municipality.

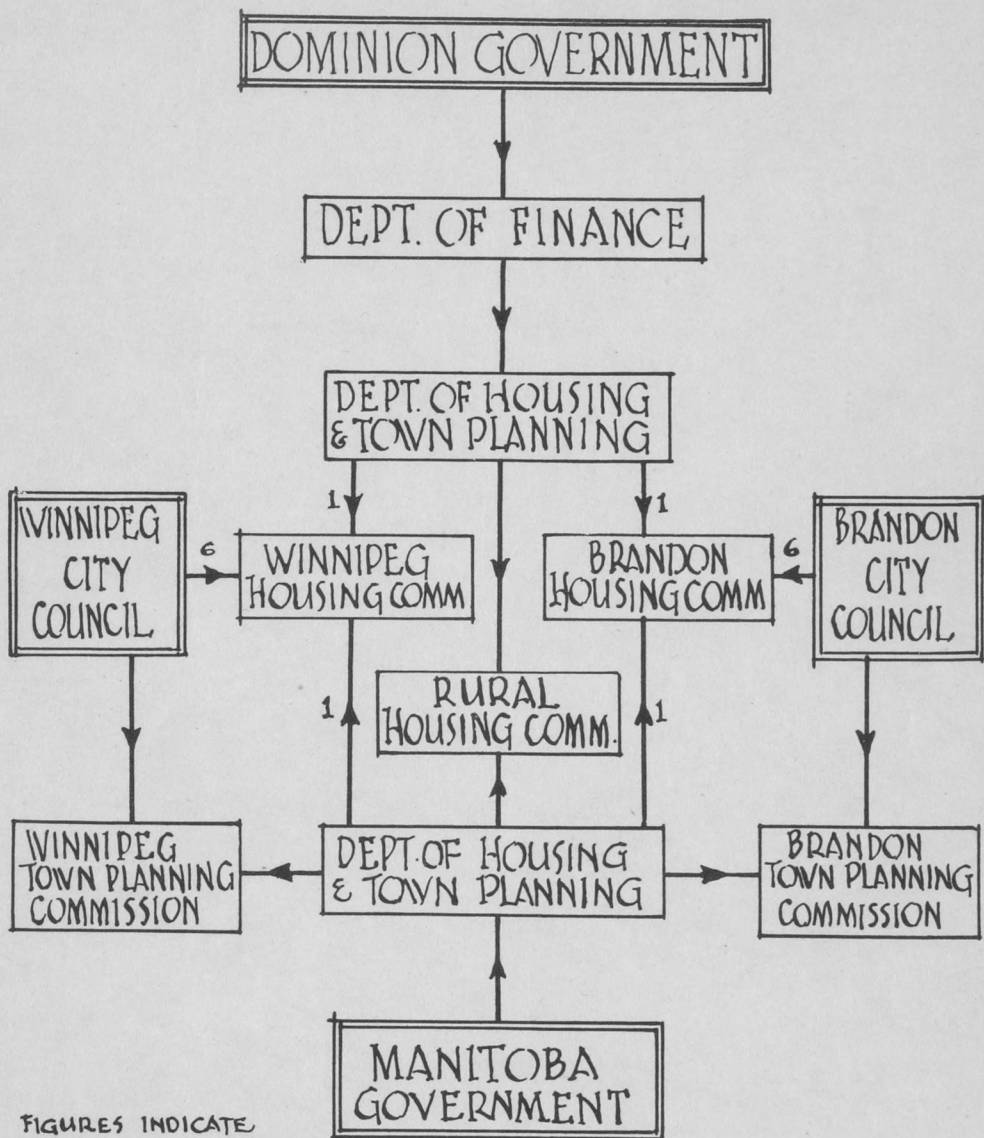
"C" type of housing should be financed in the same way as the "B" type—that is, the Dominion Government provides 90 per cent and the other two governments 5 per cent each. Any operating loss is borne by the Province and the City in equal shares. The cost of administration to be borne by the City.

## CHAPTER XI.

Comments on the set-up of the National Housing Act. The Housing conditions which we all deplore require the Type "B" and Type "C" financing above referred to. Nothing has yet been done in Canada to provide for either of these types of financing. The National Housing Act, Part 2, should be brought into effect immediately, at least to a limited extent, for experimental purposes, in respect of the "B" type of financing, as valuable experience would thus be obtained for after the War projects.

E. D. HONEYMAN. Chairman.





FIGURES INDICATE  
REPRESENTATION FROM  
VARIOUS GOVERNMENTS

DIAGRAM INDICATING RELATIONSHIP OF THREE GOVERN-  
MENTS TO THE HOUSING & TOWN PLANNING COMMISSIONS.  
NOTE: ANY MUNICIPALITY MAY BE SUBSTITUTED FOR WINNIEPEG OR  
BRANDON AND ANY PROVINCE FOR MANITOBA.

